

Gordon Crawford & Christof Hartmann (eds.)

Decentralisation in Africa

A Pathway out of Poverty and Conflict?



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I Introduction: Decentralisation as a Pathway out of Poverty and Conflict?

Gordon Crawford and Christof Hartmann

Decentralisation entails the transfer of power, responsibilities and finance from central government to sub-national levels of government at provincial and/or local levels. Its current popularity, especially in the developing world, is unparalleled, with 80 per cent of all developing and transition countries undertaking some form of decentralisation over the past two decades (ICHRP 2005: 11). In Africa south of the Sahara, the focus of this book, there are few countries that have not implemented decentralisation reforms.

This is remarkable, as Africa has a long history of formally centralised rule which dates back to colonial times, and in some instances much beyond. Independence constitutions did provide, at least in the former British colonies, for a fully established system of local government with elected councils. These had responsibilities for the delivery of services such as education, health, roads, water supply and agricultural extension, as well as a level of resources. Although attempts at state centralisation in independent Africa might not have been as successful as intended, the imperative of nation-building, the realities of single-party or military rule and the necessities of centralised planning led to the marginalisation or outright suppression of these elected local and district councils and their competencies throughout the late 1960s and 1970s. In their support for modernisation and Keynesianism at that time, the donor community equally pressed for the establishment of strong central state institutions. Local government did continue to exist in many places, but with little power and resources, and thus local authorities lost both their role in the political and development process and also their legitimacy with local populations. Few authoritarian regimes were willing to cede any control over resources to other state institutions, with the notable exception of Nigeria's military regime which initiated a substantial decentralisation programme in 1976.

Against this background, at first sight, there appears nowadays to be a remarkable consensus on the desirability of decentralisation, with support coming from international development agencies (the 'donors') and civil society organisations

alike, as well as – at least officially – from central governments who are charged with its implementation. Potential advantages of decentralisation are seen in both democratic and developmental terms. Government is brought closer to the people, in theory allowing greater influence on local public affairs, with local government perceived as more responsive to local needs, inclusive of the majority poor. Yet it is not at all clear that the anticipated benefits are being realised. Many studies to date, some of which are discussed below, have highlighted that decentralisation is complex, multi-faceted and faces many challenges, and has variable outcomes. The aim of this book is to contribute to this literature, with a particular emphasis on the outcomes of decentralisation in Africa on the two themes of poverty reduction and the management of violent conflict.

This initial chapter introduces the book. It proceeds in five sections. First, key terms are defined. Second, the motives, claims and issues concerning decentralisation are outlined. Third and fourth, the recent literature and debates on decentralisation and poverty reduction and on decentralisation and conflict management are discussed in turn. Finally, the structure of, and contributions to, this book are outlined.

1. Definitions of Key Concepts

1.1. *Decentralisation*

Although decentralisation is very prevalent, its form and extent varies greatly across countries. Difficulties in understanding and comparing decentralisation policies have been intensified by a multitude of definitions used by practitioners and scholars. One main controversy since the early 1980s has involved the question of whether the concept of decentralisation should be restricted to the vertical process of shifting competencies and resources from the central state level to territorially defined sub-national levels of government, or whether the concept should also include the horizontal process of decentralising competencies and resources at a given level of government through processes such as delegation and privatisation. It was Rondinelli et al.'s (1983) influential book that first proposed a comprehensive typology encompassing both the horizontal and vertical dimensions of decentralisation. Subsequently Rondinelli came under strong attack (Slater, 1989) both for the analytical weakness of such a broad categorisation and the political agenda behind it, i.e. seeing administrative-political devolution in its instrumental role for economic liberalisation and for downsizing the role of the state in the development process. Many developing countries eventually introduced a mix of delegation, privatisation and deconcentration, while leaving out the politically most relevant sub-type of devolution.

Although the new emphasis on local governance in both industrialised and developing societies since the 1990s makes the analysis of non-state actors in politics and developmental processes and their coordination with public agents and institutions a priority, there are good reasons to adopt here a concept of vertical decentralisation, and to include its political, administrative and fiscal elements. While still allowing a range of conceptual differences, it makes empirical analysis and cross-national comparison possible by focussing on the decision space and discretionary power of sub-national levels of government.

In defining decentralisation from this perspective, it is common to outline three different forms that emphasise one or other of these elements, as exemplified by Manor (1999: 5):

Devolution (or democratic decentralisation), i.e. transfer of power and resources to sub-national authorities that are both (relatively) independent of central government and democratically elected.

Deconcentration (or administrative decentralisation), i.e. the transfer of authority to sub-national branches of the central state, often to line ministry officials based in local areas.

Fiscal decentralisation, i.e. authority over budgets ceded to deconcentrated officials and/or unelected appointees or to elected politicians.

One minor controversy concerns whether fiscal decentralisation is actually a third main type of decentralisation. Ribot (2002: iii) argues that it is a cross-cutting element of both deconcentration and devolution, rather than a separate category, an analysis which is accepted here. Thus two main forms of decentralisation can be distinguished – devolution and deconcentration – although it is recognised that this distinction is often blurred in practice, as highlighted in some of the chapters here. While decentralisation's popularity has been evident from the early 1980s (Conyers 1983), it has itself undergone a shift in emphasis from deconcentration in the 1980s to devolution in the 1990s. Whereas deconcentration (and privatisation) was closely related to structural adjustment programmes and attempts to break up the power of the centralised state, influenced by prevailing neo-liberalism, a shift towards democratic decentralisation was linked with the general democratisation trends from the early 1990s onwards, especially in Africa (Olowu and Wunsch, 2004: 38), and a related change in donor emphasis toward participatory governance.

Claims and expectations of decentralisation usually assume a devolved form and some have even proposed to disregard deconcentration as a form of decentralisation (Mawhood, 1993). In this book, we are concerned primarily with devolution (or democratic decentralisation) and its impact on poverty reduction and conflict management, with authors also drawing attention to the various limitations and obstacles to genuine devolution.

1.2. *Poverty and poverty reduction*

Since the turn of the millennium, it has become very common to take a multidimensional approach to poverty. This is evident from the work of two influential sources, the World Bank and the Development Assistance Committee (DAC) of the Organisation for Economic Co-operation and Development (OECD). In its *Attacking Poverty* report, the World Bank (2001: 15-19) defines poverty as multiple human deprivation, inclusive of economic deprivation as well as social and political dimensions. The traditional economic dimension entails low income levels and an inability to meet basic household consumption needs. The social dimension focuses on health and education levels, measured by such indicators as infant and under-five mortality rates, life expectancy, and primary school enrolment rates, as well as vulnerability over time to income or health poverty and other risks such as violence and crime. The political dimension of poverty entails what the World Bank terms 'voicelessness and powerlessness', measured by a combination of participatory methods and indicators such as the extent of civil and political liberties. Similarly the OECD DAC (2001) defines the multidimensionality of poverty as including economic, human, political, socio-cultural and protective dimensions. For the World Bank (2001: 7-8), a poverty reduction strategy entails three policy responses to the multidimensional nature of poverty, described as 'promoting opportunity, facilitating empowerment and enhancing security'. 'Promoting opportunity' encompasses both economic and social deprivation and involves the expansion of opportunities for poor people to increase incomes and to access basic services. 'Facilitating empowerment' addresses the political dimension and focuses both on strengthening the participation of poor people in political processes and on state institutions becoming more responsive and accountable to the poor. 'Enhancing security' pertains to measures aimed at reducing overall vulnerability, with a particular emphasis on health- and climate-related risks.

In exploring the relationship between decentralisation and poverty reduction, this book will take a multidimensional approach to poverty and examine various and interrelated aspects of poverty and poverty reduction. In particular it will focus on whether the anticipated positive linkages have been realised or not, as well as considering the adverse impact of various constraints and challenges.

1.3. *Conflict and conflict management*

The concept of conflict is at least as contested and multidimensional as poverty. Conflicts are ubiquitous in many dimensions of daily life. Some theories locate their sources in the nature of the protagonists (anthropological theories), or in relations between conflict parties (behavioural sociology and social psychology).

We follow here the structural approach of Galtung who sees conflicts emerging from contradictions in the structure of society. They then become manifest in conflicting attitudes and behaviour (Galtung, 1996). According to this 'conflict triangle', once conflicts are formed they undergo various processes of transformation, but all three dimensions (structural contradiction, behaviour, attitudes) remain equally important and have to be taken into account in any attempt to solve or transform a conflict.

In development policy debates, there is a strong tendency to identify structural factors such as unequal distribution of socio-economic resources or bad governance as key causes of conflicts. These factors are important, though they should not be overestimated in relation to factors which trigger the outbreak or escalation of conflicts on a more short-term basis. The latter include, for instance, a change of regime, reform measures impacting negatively on individual sections of the population, politically-motivated assassinations (or assassination attempts) and economic crises of a cyclical nature (Ropers, 2002).

If there is little agreement about the causes of conflict, there is even less consensus about the possibility of ending conflicts. Much policy-oriented analysis and political discourse within Africa suggests that conflicts are inherently negative and can be resolved by modifying conflictive behaviour and attitudes and removing the structural contradictions at the root of the conflict. Much of the scholarly debate is more sceptical for both empirical and theoretical reasons. Empirically we observe many protracted social conflicts over scarce resources where attempts at removing structural contradictions have constantly failed. A major strand in the theoretical debate has also defended the idea that conflict itself is not only an unavoidable element of social interaction but also a 'positive' element of development:

'Conflict is an intrinsic and inevitable aspect of social change. It is an expression of the heterogeneity of interests, values and beliefs that arise as new formations generated by social change come up against inherited constraints.' (Miall, Ramsbotham and Woodhouse, 1999)

These conflicts may lead to political crisis and destructive escalations of violence affecting whole societies primarily during phases of socio-economic and political transformation. The problem is then not the conflicts *per se*, but the way in which they are managed and resolved (Rupesinghe, 1998).

The traditional idea of conflict resolution which assumes the overcoming of the original incompatibility of interests has proven to be ambitious especially in conflicts over identity and values, while conflicts over material resources are more amenable to a solution by reframing of interests or compromises. It is in this context that the idea of conflict management has become prominent. It acknowledges

the structural contradictions in a social context as given for the time being, and restricts itself to modifying conflictive behaviour and attitudes. Although conflict management is often used in the restricted sense of limiting, mitigating or containing violent conflict, we will use it here as a concept that covers the various ways of positive conflict handling (Harris and Reilly, 1998).

2. Decentralisation: Motives, Claims and Issues

2.1. *Motives*

Although the forms and degrees of decentralisation vary greatly, not only is decentralisation very widespread geographically, but there appears to be a remarkable consensus on its desirability amongst diverse actors. It is a consensus that seems to encompass both the political left and right. The neo-liberal right supports decentralisation because it entails a further shrinking of the powers of the centralised state. The political left also supports decentralisation because it is associated with an agenda of democratic deepening, with some progressive civil society organisations seeing decentralisation as providing greater opportunities for influencing decision-making processes at the local level. Advocacy of decentralisation comes from various sources, inclusive of donor agencies and local pro-democracy movements (Devas and Delay, 2006: 678; Thede, 2008: 3) and ostensibly from central governments themselves. Yet, it is clear that this apparent consensus conceals a variety of interests and motives (Thede, 2008: 3). Goals have also evolved and altered somewhat over the past quarter of a century. As mentioned above, in the 1980s, decentralisation in Africa and elsewhere was closely associated with structural adjustment programmes and a neo-liberal reform agenda (Campbell, 2001), with decentralisation reforms largely a response to the perceived failures of the centralised state (Wunsch and Olowu, 1990), notably in Africa. The belief was that decentralisation would lead to greater economic efficiency in the allocation of goods and services. Thus an economic motivation prevailed, one closely connected to the neo-liberal mood of this period, with decentralisation portrayed as leading to improved service delivery at local level through deconcentration and privatisation and the mobilisation of local resources.

The 1990s saw two related developments: the rise of democratisation movements in Africa and the addition of 'good governance' to the reform agenda of the 'donors'. Both gave not only a further stimulus to decentralisation in general, but to democratic decentralisation in particular (Olowu and Wunsch, 2004: 38-39). The World Bank (1997), the United Nations Development Programme [UNDP] (1997) and the Development Assistance Committee of the OECD (1997) all identified decentralisation as a key element of good governance. For UNDP, for in-

stance, 'decentralisation and support to local governance' was one of five focal areas for governance programming (UNDP, 1997). Improvements in governance were perceived as stemming from democratic local government in which local citizens could exert greater influence on public decision-making. Such an agenda struck a common chord with many civil society organisations who were interested in deepening democracy and in addressing the limits of national-level democratisation, which often remained dominated by an elite political class (Theede, 2008: 5). Despite this democratic turn, the decentralisation agenda in the 1990s continued to have a liberal underpinning, especially for those bilateral and multi-lateral agencies whose primary concern remained to limit the power and authority of the central state. Recently, more overt democratic goals appear to have been expressed by international agencies, with decentralisation favoured as a means of 'empowerment' and increasing the 'voice' of the poor and marginalised. But the use of such language can be deceptive at times, perhaps aimed at maintaining an outward show of sharing objectives with non-governmental actors.

It is worth reiterating that poverty reduction and conflict management did not feature initially as significant motives for decentralisation. More common rationales entailed greater efficiency in the allocation of economic resources through a redefinition of powers and responsibilities between central and local governments, and a better match between government programmes, local preferences and local conditions (Burki et al., 1999; Cohen and Peterson, 1999; Litvak et al., 1998).

2.2. *Claims*

As is somewhat apparent from the motives, proponents make great claims for decentralisation, with interrelated developmental and democratic benefits anticipated. Decentralisation is perceived as bringing government closer to the people, leading to greater political participation at the local level, with citizens more able to make claims on local government and to subject it to greater scrutiny. In turn, it is anticipated that local government will be more knowledgeable about and more responsive to the needs of local populations, inclusive of the majority poor. Crook (2003: 77) notes that this is 'an assumption questioned by few', while Smoke (2003: 11) remarks that decentralisation is 'commonly treated as an unambiguously desirable phenomenon'. Yet these claims often appear to be driven more by belief than by experience or empirical evidence. Three other expectations are commonly stated: increased equity and efficiency and decreased corruption. One consequence of the perceived 'informational advantage' of local government can be a more equitable distribution of public resources within their jurisdiction (Smoke, 2003: 9) and a better match of available resources with local demand. Similarly, it is thought that the closer proximity of local government to

taxpayers and beneficiaries will increase transparency in the use of local resources and strengthen downward accountability mechanisms, resulting in a decrease in corrupt practices (Devas and Delay, 2006: 691). There is also the expectation that decentralisation contributes to overall regime consolidation and increases the overall quality of the democratic process by guaranteeing accountability, fostering civic competence and social capital, or strengthening political parties and civil society (Vengroff, 1993; Rothchild, 1996; Smith, 1996; Stoker, 1996).

Claims of a positive role for decentralisation in mitigating social and political conflict are less openly stated. Following violent conflicts, political decentralisation is seen as a compromise strategy to maintain the integration of secessionist groups within the state, while at the same time allowing for a meaningful degree of autonomy over local resources and decision-making (Diamond, 1999: 129). In a similar way, the expectation of poverty reduction through decentralisation has been added more recently, corresponding with 'poverty reduction' becoming the stated overarching goal of most donor agencies. In two influential reports (World Bank, 2004; UNDP, 2004), decentralisation was seen as crucial to achieving poverty reduction and the Millennium Development Goals.

Yet does decentralisation deliver such positive outcomes? This book intends to subject these two specific claims, poverty reduction and conflict management, to empirical investigation through a series of country case studies.

2.3. *Issues*

Many writers also acknowledge that democratic decentralisation is a complex and multifaceted process (Smoke, 2003: 13), with prospects for realisation of the anticipated benefits adversely affected by a number of implementation issues and constraints. Nine potential issues are outlined here, identified mainly by analysts writing about the African context, with the later issues becoming more political in nature. While these are general constraints that impact adversely on the overall prospects for successful implementation of decentralisation reforms, it is evident that they are likely to have a detrimental effect on the potential of decentralisation to contribute to poverty reduction and conflict management.

First, there may be shortfalls in the legal framework (Olowu and Wunsch, 2004: 23). The strongest form of legal backing for decentralisation is through its inclusion in the national constitution, consolidated by specific local government law(s), but weaker legal frameworks entail decentralisation merely through central government policy or by decree (Thede, 2008: 9).

Second, a clear division of responsibilities between local and central government is essential, but the absence of such clarity can equate to a lack of local government autonomy (Agranoff, 2004) and discretionary powers. Addition-

ally, it can imply that a relatively high degree of central government control is maintained over local service provision, especially through deconcentrated sector ministries, indicating that the lack of a clear division of responsibilities may be by design rather than by default. Confusion over roles and responsibilities can also be intensified by the multiplicity of government agencies involved, inclusive of various central government departments (ministries of finance, local government, home affairs and sectoral departments) and different levels of sub-national government, as well as international donor agencies (Smoke, 2003: 13).

Third, in a context of general state weakness, a lack of local government capacity is likely, with inadequate financial and human resources (Olowu and Wunsch, 2004: 22; Steiner, 2007: 177). Regarding financial resources, central government financial transfers may not be commensurate with responsibilities, and the revenue raising powers of local government may be limited. In addition, the establishment of new local authorities, especially at district level, has high initial administrative costs. Regarding human resources, civil servants may be reluctant to move to rural areas, especially when it entails transferring from the relative security of a centralised career structure to a less certain future under the authority of a local government service (Olowu and Wunsch, 2004: 19).

Fourth, new legislative bodies may be relatively weak and ineffective in decision-making, with locally elected members unfamiliar with the exercise of their powers and grappling with the technicalities of public policies or the formal language requirements. One consequence could be inadequate control over policy implementation, resulting in executive dominance by the local administration, with power effectively in the hands of appointed district heads or municipal managers.

Fifth, the anticipated increase in local political participation may be limited in practice due to insufficient opportunities being provided to citizens by local officials, or a lack of information about opportunities being made available (Steiner, 2007: 179), or a weak organisational set-up of local civil society. In some parts of Africa, rural communities may view any new public programme or policy with indifference or scepticism, with the promise of participation having to overcome a high degree of civic apathy (Diamond, 1999: 144).

Sixth, closely related to the issue of participation is that of accountability. There is a tendency to assume that 'democratic participation will yield strong mechanisms of accountability' (Johnson, 2003: 8). Yet powers can be decentralised 'to actors who are not accountable to their constituents, or who are accountable only to themselves or to superior authorities within the structure of government' (Agrawal and Ribot, 1999: 478). The realisation of more accountable government through decentralisation is by no means automatic.

Seventh, the political will of national elites to seriously implement devolution cannot be taken for granted. National elites might have accepted a decentralisa-

tion scheme primarily to please donors, while remaining confident that they will be able to maintain control over resources. The veto-power of national elites in blocking the effective implementation of new legal rules, or in perverting them to their own advantage, is a critical constraint to any decentralisation policy (Blair, 2000).

Eighth, this leads to the related problem of local elite capture. Within the local arena there is an existing set-up of powerful players who might be negatively affected by decentralisation, such as traditional authorities or local bosses dominating trade and other economic activities (Olivier de Sardan, 1999). These local elites may also respond to decentralisation by attempting to capture the benefits that it provides, and the problem of such elite capture of decentralised resources is a commonly cited one in the literature. It is generally achieved by one of two means. First, it may stem from local class and caste structures and the ability of high-status groups to dominate local politics and gain control of local political institutions. Second, it may also be a function of the ability of central government actors to control the transfer of powers and resources into the local arena along lines of economic and political alliances, in other words to channel resources to their patronage networks in order to consolidate their local political base.

Ninth, a final issue concerns the overall lack of local democracy and the existence of a local democratic deficit. Many institutional arrangements established under decentralisation reforms are insufficiently democratic and do not create a clear line of accountability from decision-makers to the local population (Ribot, 2004: 3). Again, the failure to encourage local democratic processes raises questions concerning the motivation and intent of those central government actors that are tasked with the implementation of decentralisation reforms.

In particular the poverty case studies in this volume draw attention to various aspects of these implementation issues. For example, Steiner focuses on issues of participation, accountability and local government capacity in Uganda, and, usefully, she also provides a more detailed discussion of these particular challenges in her chapter; Chinsinga examines constraints in Malawi pertaining to the lack of political commitment shown by national elites as well as the capture of limited resources by local elites; Crawford also addresses issues of participation and accountability, investigating how the former has not led to the latter in the Ghana case; and Van Dijk, while generally more positive about outcomes, points to issues of national-level elite resistance to decentralisation and the lack of local revenue-raising capacity. Finally, the nine issues outlined above are returned to in the conclusion, with the findings from the country case studies summarised in relation to each one.

3. Decentralisation and Poverty Reduction: A Review of Recent Surveys

The three elements of the World Bank's poverty reduction strategy are recalled: 'promoting opportunity, facilitating empowerment and enhancing security' (2001: 7-8). Decentralisation is highlighted by the Bank as a key policy reform that enhances the 'facilitating empowerment' dimension, given the potential of decentralisation to both strengthen participation and increase government responsiveness to the poor (World Bank, 2001: 106). Subsequently, Steiner (2007), also a contributor to this volume, has further elaborated this analysis and indicated how decentralisation can contribute to all three elements of the Bank's poverty reduction strategy. As regards 'facilitating empowerment', she also notes the contribution of decentralisation through increased participation in public decision-making (ibid.: 177). In terms of 'promoting opportunities', the transferring of certain decision-making powers to local government involves an assumption that local authorities have an 'informational advantage' with regard to local needs and preferences, increasing the likelihood of greater correspondence between demand and supply of local services (ibid.: 177). Finally, the contribution of decentralisation to 'enhancing security' entails an overlap between the issues of poverty reduction and conflict management. Significantly though, Steiner also notes that these three potential channels of poverty reduction constitute an optimal model, one that is rarely fully realised. In practice, constraints in implementing democratic decentralisation are frequently encountered, thereby limiting the effects on poverty.

Yet, although decentralisation advocates have asserted likely pro-poor outcomes, such claims have generally not been well supported by academic evidence. It is only comparatively recently, in fact, that decentralisation research has specifically focused on the linkages with poverty reduction, with a number of studies published since the turn of the century, all reviews of secondary literature (Bossuyt and Gould, 2000; Crook and Sverrisson, 2001; Von Braun and Grote, 2002; Crook, 2003; Vedeld, 2003; Jütting et al., 2004, 2005).¹ Of these, the most extensive surveys of cases across Africa, Asia and Latin America have been undertaken by Crook and Sverrisson (2001) (ten countries and two states in India) and by Jütting et al. (2004) (eighteen countries and three states in India), while the other studies have been smaller in scale. The studies share a number of similar features, including the common finding that linkages between decentralisation and poverty reduction are generally negative, either in the sense of no clear attribution of poverty reduction to decentralisation or, more worryingly, that decentralisation can have a deleterious effect on poverty levels. These studies are reviewed here in four sub-sections: the methods used to measure the impact on poverty, their findings, the (pre-)conditions noted for pro-poor outcomes, and the shortcomings of the studies.

3.1. *Measuring poverty impact*

As is commonplace, poverty is defined as a multidimensional concept and measuring the impact of decentralisation on poverty is undertaken along both political and economic lines. In three studies, participation and empowerment are taken as the key political indicators, while the provision of basic social services is regarded as the crucial socio-economic outcome. Jütting et al. (2004, 2005) examine political and economic impacts in terms of 'empowerment' and 'access to services' respectively, where empowerment is assessed through considering levels of 'participation' and of 'local government capacity' (Jütting et al., 2005: 629-30). Von Braun and Grote (2002: 73-74) also highlight both political and economic linkages with poverty reduction, assessing 'participation/empowerment' and 'public services/pro-poor investment'. Crook and Sverrisson (2001: 5) look for evidence of poverty reduction through increased 'responsiveness and participation' and through improved 'social and economic outcomes'. They assess the responsiveness of local government to the needs of the poor through examining the degree of participation, while acknowledging that participation is a 'somewhat imperfect indication of the degree of responsiveness' (ibid.: 10). Positive social and economic outcomes are looked for in four areas: pro-poor growth; increased social equity; enhanced human development (health, education, sanitation); decreased spatial or inter-regional inequalities (ibid.: 10-11). One important economic indicator that appears to have been omitted from all studies, however, is the level of local incomes and whether decentralisation has contributed to poverty reduction through creating employment opportunities and enhancing household incomes.

3.2. *Impact of decentralisation on poverty reduction: survey findings*

The overall common finding is that decentralisation has *not* had a significant effect on poverty reduction. Crook and Sverrisson (2001: 52) concluded that:

‘The notion that there is a predictable or general link between decentralisation of government and the development of more ‘pro-poor’ policies or poverty alleviating outcomes clearly lacks any convincing evidence.’

Jütting et al. (2004: 7) found that ‘an unambiguous link between decentralisation and poverty reduction cannot be established’. From his review of literature on democratic decentralisation and poverty reduction, Vedeld (2003: 194) concludes that there is ‘little convincing evidence that either democracy or decentralisation... will necessarily produce gains for the poor’. Drawing on three cases in Africa, Bossuyt and Gould (2000: 5) state that ‘the link between decentralisation

and poverty reduction policies is weak. Only Von Braun and Grote (2002) deviate slightly from this consensus. Having posed the question 'Does decentralisation serve the poor?', their answer is 'Yes, but it depends' (ibid.: 89). However, their selected country evidence does not provide many positive examples.

There are few relatively successful cases, with the same ones often cited, most notably West Bengal in India (Crook and Sverrisson, 2001; Jütting et al., 2004; Vedeld, 2003) and Bolivia (Jütting et al., 2004; Vedeld, 2003). Of their twelve cases, Crook and Sverrisson (2001: 47) note that only West Bengal showed 'an unambiguously positive outcome', while three others (Karnataka, Colombia and Brazil) showed 'good results in some aspects'.

A further six countries, including four from Africa, were all regarded as 'examples of the failure of decentralisation to help the poor' (Crook and Sverrisson (2001: 47). Jütting et al. (2004: 14) classify countries by performance into four categories: positive (three countries); somewhat positive (four); somewhat negative (nine); and negative (five). The positive examples are West Bengal, Bolivia and the Philippines, while they note that decentralisation in two-thirds of cases has had a *negative* impact on poverty indicators. Vedeld (2003) focuses on relatively successful examples (West Bengal and Kerala in India, Bolivia, the Philippines, Uganda and Mali), yet none of these have attained 'substantial effects on poverty reduction' (ibid.: 195). It is in Africa that the negative impact of decentralisation is most evident (Crook and Sverrisson, 2001; Jütting et al., 2004; Bossuyt and Gould, 2000), though Ghana and South Africa are perceived by Jütting et al. (2004: 14) as partial exceptions, categorised as 'somewhat positive' performers.

3.3. *Conditions for pro-poor decentralisation*

Despite the failure to find an overall positive relationship between decentralisation and poverty reduction, most studies retain faith in decentralisation and seek to identify the conditions that will facilitate pro-poor outcomes.²

Jütting et al. (2005) identify a number of 'determinants' related to the design and implementation of decentralisation that can enhance its pro-poor nature. These are divided into political, administrative and fiscal factors. Political factors entail: political commitment to decentralisation by central government and political elites; policy coherence where local authority powers are *not* undermined by other means; and transparent and participatory processes (2005: 638-41). Administrative factors include an investment in local capacity building and a clear division of functions between local and central government (2005: 641-42). Fiscal factors entail adequate and secure resources, including tax-raising powers (2005: 642-43). From this list, political determinants are highlighted as decisive: 'Real devolution of power and resources while establishing accountability systems' (2005: 644).

From examples of 'relatively good practice', Vedeld (2003: 185-87) assembles a list of five pre-conditions for making democratic decentralisation more pro-poor. These are: central government commitment; civil society engagement; participation and accountability; donor support; and a public discourse on poverty. The political dimension is again emphasised. Echoing Jütting et al., central government commitment is highlighted as 'stand[ing] out as an *essential precondition*' (Vedeld, 2003: 186, emphasis added).

Crook and Sverrisson (2001) and Crook (2003) take a slightly different tack by seeking to explain differing poverty outcomes, both positive and negative. In identifying the key variables, however, they simultaneously suggest the necessary conditions for greater success. Again, the first and most significant variable pertains to central government commitment, though with an added ideological slant in the case of West Bengal. Successful poverty reduction here is understood as due to the state government's 'ideological commitment to anti-poverty policies' (Crook, 2003: 85). In this instance the ruling Left Front government has implemented decentralisation as a means to challenge local elite resistance to mass-based policies and to mobilise an electoral alliance in favour of such policies. Key variables that influenced the degree of poverty reduction elsewhere included: the extent to which political participation was effective in establishing accountable local government; the system for allocation of financial and administrative resources; and the length of time that decentralisation has been implemented, with ten to fifteen years needed to show results (Crook and Sverrisson, 2001: 4-5).

3.4. *Limitations and shortcomings*

Although these studies usefully provide an overall picture based on reviews of a significant number of country cases, such surveys also have their shortcomings. One limitation is that they are mainly dependent on secondary literature, including country studies of decentralisation whose original focus may not have been on poverty reduction. Judgements may be rudimentary and the distance from primary research also increases when one secondary survey quotes another as the source of its evidence – for example, Jütting et al. (2004: Table A-1) often cite Bossuyt and Gould (2000) and Von Braun and Grote (2002) as sources for their findings.

The reliability of judgements is questioned by the case of Ghana, for example, with differing assessments made. Jütting et al. (2004: 14) place Ghana in their 'somewhat positive' category, and Von Braun and Grote (2002: 90) state that 'the overall decentralization process has been judged as successful'. In contrast, Crook and Sverrisson (2001: 47) regard Ghana as an example 'of the failure of decentralisation to help the poor', with the qualification that it was the 'least bad' of six negative examples. This assessment is based on Crook's mid-1990s primary

research in Ghana, published in Crook and Manor (1998), as well as secondary sources. The source of Jütting et al.'s (2004: 36) evaluation is given as Von Braun and Grote (2002), while Von Braun and Grote themselves rely exclusively on secondary literature.

In sum, despite limitations, these cross-national surveys based on secondary sources provide valuable reviews of the 'big picture' regarding decentralisation and poverty reduction. They can be complemented, however, by country case studies based on primary data, which this book intends to provide.

4. Decentralisation and Conflict Management: A Review of the Debate

In stark contrast to the theoretical and empirical debate about the relationship between decentralisation and poverty reduction, there is no similar body of sophisticated approaches and empirical assessment concerning decentralisation's impact on conflict management. There are several reasons for this state of the art. While poverty reduction is the first of the UN Millennium Development Goals and no African government (with the possible exception of Mauritius) would reject poverty alleviation as one of its main policy objectives, many governments deny that there exist any conflicts within their countries or refuse the international community's competence to deal with them. In other words, while poverty reduction is a vague but undisputed commitment of most governments, conflict management (at least as far domestic conflicts are concerned) is not. Crisis prevention and conflict management is thus more a concern of the donor community and international governmental organisations (OECD, 2004).

Most policy-makers would argue that successful socio-economic development and democracy are the best way to prevent crisis and solve violent conflicts. By contributing to such aims, decentralisation can also contribute to the management of conflicts. This way of framing the problem still leaves us with the question of whether decentralisation – beyond these indirect effects – has a direct impact on the dynamics of conflicts. Policy-makers also tend to avoid the thorny question of whether decentralisation might also increase the likelihood of violent conflict.

There has not been any systematic and continuous academic debate on decentralisation and conflict management, i.e. both discourses have evolved largely separate from each other. We will thus discuss those three strands of literature that have to some extent tried to analyse the linkage. First, if federalism is perceived as one type of decentralised government, then it becomes possible to use scholarship from this tradition. A second strand of research is concerned with the largely indirect effects of decentralisation on various aspects of political stability.

Finally, there are some mainly conceptual studies that try to analyse the specific impact of decentralisation policies (in unitary states) on various types of conflicts, mostly in post-conflict settings.

4.1. *Federalism and conflict management*

There is a long research tradition on the conflict management potential of multi-ethnic federations. In contrast to decentralisation, federalism presupposes a division of sovereignty, a constitutionally protected status for the devolved units (usually states in their own right with parliaments, governments and a distinct political process whose rights can only be revoked by constitutional amendment), a constitutional procedure to solve conflicts between the central and the decentralized levels, and an organ at central level where the decentralized units have a veto power over national policy decisions affecting their rights. The provinces within a decentralized unitary state may, however, have more effective power than the member-states of a federation. This is one of the reasons why recent research on federalism (Bermeo and Amoretti, 2004) has proposed to replace the dichotomy between federalism and unitary states with a more differentiated typology of variables such as the degree of fiscal decentralisation or electoral systems.

Lake and Rothchild (2002) tried to statistically assess the role of federal institutions in the transition from war to peace and came to a relatively sober assessment. On the basis of their data they see decentralisation in the short run as a valuable tool for peace-making because it serves as a signal of moderation by the majority. In the long run it may work as a major incentive for secession and disintegration. Ghai (2002) in a qualitative comparison obtained a different result, claiming that only 'true autonomy prevents secession' (Ghai, 2002: 23). The track record of multi-national federations in Africa in managing conflict does certainly not allow for much optimism, whether one thinks of Nigeria or Ethiopia.

What then are the decisive elements that make a federal system stable? McGarry and O'Leary (2002) have identified a number of variables such as consociational forms of democratic rule at the central level, a minimum number of three major ethnic groups, and a certain level of socio-economic development that allows for instruments of fiscal equalisation and distributive fairness. Stepan (2003) has also argued that federalism would not be an easy model to adopt as only those federations who came together on a voluntary basis (by aggregation) have been able to manage internal conflict well, while the 'holding together' federations of former empires are *de facto* 'pseudo-federations' that were doomed to fail.

4.2. *Indirect effects of decentralisation on conflict and stability*

Schou and Haug (2005) have proposed a typology of conflict mitigating and conflict intensifying effects of decentralisation. One positive effect of decentralisation is the political inclusion of new groups, which is typically the case when opposition parties capture sub-national units such as in Mozambique or Mali. Decentralisation would thus increase the representative character of the political system especially in heterogeneous societies with territorially concentrated minorities (Diamond, 1999: 129). Decentralisation can also foster political stability and national unity through granting greater autonomy to conflicting groups, who are forced to enter into a formal bargaining process with the government (Rothchild, 1994: 1). Finally, it can also help the state to establish central government authority in areas where state penetration had been weak, thereby increasing the legitimacy of public institutions.

Schou and Haug (2005: 18) also recognise the danger of decentralisation leading to the intensification of conflicts. This might happen by giving political space to forces whose loyalty to the central government is not guaranteed, as was the case in Angola, or who are not interested in a peaceful transformation of conflicts. Decentralisation may also exacerbate regional differences in socio-economic development which might easily lead to a further polarisation along regional lines, especially when intergovernmental fiscal transfers include a high percentage of direct distributive interventions and exemption rules. One might add that decentralisation might also simply be irrelevant for conflict management, because conflicting parties might ignore new authorities and dispensations and continue to solve conflicts via established informal rules and power-brokers (Mehler, 2002).

While it is certainly an important and useful first step to point to the ambivalent role of decentralisation, any assessment of whether these potential effects occur depends on a number of critical variables. The specific contexts (both of countries but also of micro-social settings) and the prevailing constellation of actors certainly matter, but it can be assumed that the design of decentralisation itself is also important for conflict dynamics and management (Sisk, 2001).

4.3. *Decentralisation policies and conflict*

Little empirical research has been done to test these assumptions in African contexts. Some African governments have apparently used devolution as a conflict management tool (Mali, Senegal, South Africa, Sudan, Uganda), and their experience has been analysed in various case studies. Seely (2001) has analysed the decentralisation policies enacted in Mali since 1992 as a deliberate attempt of the new democratic regime to co-opt the Tuareg rebels into the political system. The

Ugandan case has attracted much more interest, because decentralisation was designed as a strategy to appease the proponents of federalism (largely concentrated in wealthy Buganda). As the survival of the ruling coalition depended on the support of the new constitution in the constituent assembly, some concessions to autonomy demands had to be taken (Englebert, 2001; Griffiths and Katalikawe, 2003). Decentralisation had the additional advantage of being popular with donors. In the process, minorities emerged to demand an ever-stronger fragmentation of districts, thus denying the bigger ethno-nationalist movements any possibility of using decentralised units as springboards for secession while shifting the problem of ethnic conflict to local levels where it was supposedly less threatening to state integrity (see Schelnberger, in this volume).

The focus of these analyses has been, however, largely restricted to an analysis of governmental policies whose declared intention consisted in contributing to conflict management and political stability. Unintended effects of decentralisation policies are not analysed (Mehler, 2002). The empirical question of how local or national conflicts have actually been influenced by these policies and whether the new dispensation indeed helped to better manage ongoing and sometimes violent conflicts over land, natural resources and political power have rarely been addressed in the African context (with the notable exception of the South African case, see Munro, 2001 or Ntsebeza, 2005).

The contributions to this book intend to shed some fresh light on the relationship between decentralisation and conflict by proceeding with an empirical qualitative analysis of single or, in one instance, a small number of cases. These aim to help us in better understanding the critical variables that potentially lead to decentralisation in the African context having positive or negative effects with regard to conflict.

5. Structure of the Book

This book is structured into two main parts pertaining to the two main questions being investigated: the impact of decentralisation on poverty reduction and on the prevention and management of violent conflict respectively. Following this introductory chapter, the first part looks at decentralisation and poverty reduction with four country case studies in different regions of Africa: Uganda, Malawi, Ghana and Tanzania. Subsequently, the second part has three chapters that look at issues of decentralisation and conflict management. The first of these three chapters itself entails three country studies, those of South Africa, Namibia and Mauritius, while the other two chapters look at Uganda and Rwanda respectively. A brief introduction to each chapter follows.

In Chapter 2, Susan Steiner explores 'Constraints on the Implementation of Decentralisation and the Implications for Poverty Reduction' through the case study of Uganda. While it is often argued that decentralisation is effective for the reduction of poverty due to inherent opportunities for higher popular participation, responsiveness in policy-making and increased efficiency in public service delivery, this chapter qualifies such arguments and outlines potential challenges to the poverty reduction potential of decentralisation. It explains that achieving poverty alleviation through decentralisation is by no means automatic and can be seriously constrained by an insufficient increase in popular participation, lack of downward accountability, inadequate levels of competence as well as low human and financial capacity at the local level. The chapter examines the existence of these constraints in the case of Uganda. The Ugandan government initiated an ambitious decentralisation reform programme in 1992, which provides for the devolution of far-reaching responsibilities to local governments. However, several shortcomings, such as limited local autonomy, differences between local politicians and civil servants, conflicts between different local government levels, financial shortages and low information levels, as well as the prevalence of corruption, patronage and clientelism, all impede the proper implementation of the reform. This in turn puts improvements in participation, accountability and efficiency at risk and ultimately jeopardises the expected impact on poverty.

In Chapter 3, Blessings Chinsinga provides a critical appraisal of decentralisation and poverty reduction in Malawi. While acknowledging that decentralisation, democratisation and poverty reduction are widely seen as positively related, he demonstrates that the empirical track record of the decentralisation reforms in Malawi raises some serious doubts about this perception. As yet, democratic decentralisation policy reforms have had no discernible impact on poverty reduction, service delivery and political participation, despite a timeframe of over a decade since their introduction. Chinsinga argues, however, that this does not discount the potential of decentralisation to promote poverty reduction and political participation *per se*, but rather demonstrates that the success is greatly dependent on how decentralisation policy reforms are introduced, articulated and implemented. The Malawi case demonstrates that there is an inherent risk that the nature, form and scope of spaces that open up as a result of democratic decentralisation reforms can be strategically limited, controlled and even closed by powerful actors intent on promoting, defending and consolidating vested political interests. This in turn undermines the potential of decentralisation as a crucial element in reinvigorating state institutional capability as a foundation for an effective public sector as well as a means of bringing the state closer to the people.

In Chapter 4, Gordon Crawford subjects the conventional wisdom on the relationship between decentralisation and poverty reduction to further ques-

tioning in three ways through the case study of Ghana. First, he questions the assumption that 'democratic participation will yield strong mechanisms of accountability', as noted by Johnson (2003: 8). Findings in the Ghana case are that increased participation and popular input into local policy-making processes has not led to greater popular control of government, highlighting a de-linkage between participation and accountability. Second, he questions the 'ubiquitous claim' that political will is 'the principal requirement for success', as highlighted by Smoke (2003: 12). Reliance on central government political commitment is misplaced or paradoxical, with the Ghana case demonstrating how central governments often implement decentralisation in a manner intended to promote their own interests. Third, he questions the 'managerial thrust' of much public administration literature that assumes that 'if reforms are technically on target, the rest will follow automatically', as noted in ICHRP (2005: 15). Such literature emphasises the importance of decentralisation being implemented 'by design' and not 'by default' (Jütting et al., 2005: 638-9), yet the Ghana case indicates how structural constraints are precisely inherent in the design, with decentralisation as a political exercise not a technical one. The questioning in this chapter of these three aspects of conventional wisdom is underpinned by the concept of the politics of (de)centralisation. In other words, while central governments may implement (or be forced to implement) decentralisation for a variety of reasons, they invariably aim to retain (and even consolidate) their power and control over resources.

In Chapter 5, Meine Pieter van Dijk deals with the local government reform process in Tanzania by taking a closer look at the grass roots level in the capital city and in two districts. Van Dijk argues that decentralisation has contributed to local development, primarily due to the flows of goods, services, capital, ideas and people that it has generated. Decentralisation policies provide economic opportunities for local governments and entrepreneurs. It provides local people with the opportunity to take various initiatives and it makes available money for local investments by local government through the generation of local taxes. Although too much local tax collection can work as a disincentive for private sector development, it does allow local governments to undertake more development activities. With regard to the role of decentralisation for poverty alleviation, Van Dijk identifies three main instruments: income transfers, developing services and infrastructure, and creating employment at the local level. The importance of these instruments in the Tanzanian context is reviewed in the empirical part of the chapter. The paper ends by summarising the benefits of decentralisation, especially for poor people, while acknowledging implementation constraints and instances where impact has not been as positive as anticipated, for instance, a lack of success in diminishing rural-urban differences.

The next three chapters deal with the relationship between decentralisation and conflict. In Chapter 6, Christof Hartmann analyses the relationship between decentralisation and the management of conflict in the heterogeneous multi-racial societies of Southern Africa. In these countries decentralisation is less concerned with finding a way out of violent conflict but rather with establishing durable political institutions that are capable of peacefully regulating the high potential for social conflict. Hartmann's chapter first develops a theoretical statement concerning typical – both positive and negative – effects of decentralisation on conflict, and proposes to distinguish between conflicts that oppose different actors within a decentralised unit and those where a sub-national government clashes with central government. The empirical part of the paper analyses how these two types of conflicts have been influenced by decentralisation policies. Hartmann argues that the depoliticisation of local government in Namibia and South Africa has minimised the potential for centre-local conflicts, but at the same time further marginalised groups that do not belong to the ruling coalition. Decentralisation has been more important for local conflicts in so far the developmental role attributed to councils has both increased expectations of the population and led to conflicts with traditional authorities.

In Chapter 7, Anna Katharina Schelnberger uses a thick description of a local resource conflict in the Ugandan district of Kibaale to question the conventional wisdom of the beneficial impact of decentralisation policies on conflict. Resource-based conflicts between indigenous and migrant populations in the Kibaale area were transformed into political and ethnic conflicts through the establishment of a new district within the new Local Government Scheme. Schelnberger illustrates how the introduction of new rules affects the interests and expectations of various actors. The violent escalation of this conflict was brought to a halt only by the direct intervention of the President of the Republic, thus annulling both the democratic election of a migrant politician and the political autonomy of the decentralised authority. The second part of the chapter develops a theory-based explanation for what happened in Kibaale. It gives a detailed account of the institutional provisions within the Local Government Law, and of the role that different sources of conflict (concerning land ownership and use and the control of political institutions) had for the capacity of local government to manage the conflict.

Chapter 8 by Peter van Tilburg analyses the role of decentralisation for the political stability of Rwanda. Following the 1994 genocide there was an urgent need not only to rebuild the physical infrastructure but also to develop a new political dispensation and to create a deep reconciliation among the conflicting parties and populations. Within this overall process of political and social reconstruction, the government has also introduced a policy of decentralisation. Van Tilburg assesses

both the specific Rwandan model of decentralisation and the likely impact it will have both on the cohesion and national integration of the population. The chapter ends with the optimistic perspective that decentralisation and the resulting participation of the local population in planning their own future will support the drive towards stability in this African country which has become the symbol of particularly brutal and inhumane violence.

Finally, the concluding chapter summarises the country chapters in a comparative manner, highlighting both similarities and differences in the impact that decentralisation has had, and draws overall conclusions regarding the two main research questions: the extent to which decentralisation has contributed to poverty reduction and to the prevention and management of violent conflict in Sub-Saharan Africa.

Notes

- 1 Vedeld (2003: 159) states that his literature review was supplemented by 'limited field visits to India, Mali and Uganda.'
- 2 The work of Crook and Sverrisson (2001) and Crook (2003) is an exception, maintaining a more non-committal stance.

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2 Constraints on the Implementation of Decentralisation and Implications for Poverty Reduction – The Case of Uganda¹

Susan Steiner

1. Introduction

In recent years, it has come to be widely accepted that decentralisation can be conducive to poverty reduction mainly because local governments are assumed to have better information and higher incentives than the central government to design and implement policies that respond to local needs and preferences. Besides, decentralisation is considered a means to achieve good governance in terms of a high level of public participation, accountability of public officials, and low corruption, all of which are crucial conditions for poverty alleviation. These arguments are very popular among policy-makers in developing countries, including donor organisations. The World Bank, for example, explains on its website that ‘national development and poverty alleviation often hinges on improved sub-national growth and service delivery’, which in turn is supposed to be achieved through decentralisation.² However, the academic backing for an impact of decentralisation on poverty is still restricted and at best ambiguous. With the present chapter, I intend to bring further light into the relationship between decentralisation and poverty by outlining challenges to the poverty reduction potential of decentralisation in general and examining constraints on the implementation of decentralisation in Uganda.

Although the argument that decentralisation can be effective for the reduction of poverty due to inherent opportunities for higher popular participation and increased efficiency in public service delivery is certainly valid, it must be taken into consideration that the link between decentralisation and poverty is by no means automatic (Steiner, 2007). Decentralisation is a highly complex reform process which requires comprehensive transformation and modification in political, administrative and fiscal procedures. The proper implementation of decentralisation can thus easily be constrained by several challenges, which can in turn diminish the chances to bring about voice and power for the poor as well

as responsiveness and efficiency in local decision-making. In this chapter, I first elaborate on such challenges in general terms before analysing their scope and hence implications for poverty in the case of Uganda.

The decentralisation reform in Uganda was initiated in 1992 and is exceptional among developing countries in terms of the scale and scope of the transfer of power and responsibilities to the local level. It has been praised as 'one of the most far-reaching local government reform programmes in the developing world' (Francis and James, 2003: 325) and 'one of the most radical devolution initiatives of any country at this time' (Mitchinson, 2003: 241). By investigating the design and implementation of decentralisation in Uganda, I attempt to gain a thorough understanding of the theory and practice of the reform in order to derive implications for its potential impact on poverty. Since it cannot be sufficient to look at the formal processes and legal provisions of decentralisation, I put special emphasis on the way in which these processes and provisions are put into practice. In other words, I do not directly assess the impact of decentralisation on poverty, but rather identify constraints on the implementation of decentralisation which adversely affect its poverty reduction potential.

The empirical part of this chapter is based on the evidence gathered during two field research periods in Uganda, May to July 2004 and May to June 2005, as well as a review of secondary literature, various primary sources and an analysis of data from the National Service Delivery Survey undertaken by the Ugandan government. During my field research, I conducted about thirty expert interviews³ with representatives from several local governments, the Ministry of Local Government, the Local Government Finance Commission, the Decentralisation Secretariat, the Uganda Local Governments Association, the Inspectorate General of Government, the Danish International Development Agency (Danida), the UK's Department for International Development (DfID), the World Bank, the United Nations Capital Development Fund, the German Development Service, the Centre for Basic Research and the Economic Policy Research Centre, both at Makerere University, and Cornell University. I did not use a prepared questionnaire but adapted the interviews to the respective field of expertise of my interview partners. The information I gathered in this way helped me substantially in identifying and interpreting the constraints on the implementation of decentralisation.

Besides, I paid a visit to one sample district (Tororo) in order to gain insight into the functioning of decentralisation that goes beyond the information one can obtain from reviewing the literature. In Tororo, I interviewed the Chief Administrative Officer, the Vice Chair of the District Council, the Resident District Commissioner, and two representatives of the German Development Service who worked as advisors to the Tororo district government. I also visited three sub-counties (Rubongi, Mulandan and Nabuyoga) and spoke with several sub-county

councillors. I deliberately did not visit more than Tororo district because I had previously ruled out the option of narrowing the research down to a few selected districts in Uganda. Instead, I aimed to carry out a countrywide study, enabling me to draw generalised conclusions. The decision to go to Tororo was taken on merely practical grounds, as I had previously established contact with representatives of the German Development Service. In principle, I could have visited any other of the then fifty-six Ugandan districts. However, due to the prevalence of many shortcomings related to decentralisation in this district, Tororo turned out to be a very instructive example. While in Uganda, I also obtained the data of the 2004 National Service Delivery Survey from the Uganda Bureau of Statistics. This survey covers more than 17,000 households nationwide who had been questioned about six service sectors: agricultural extension, education, health, road infrastructure, governance, and water and sanitation. I here analyse that part of the data that concerns local governance.

The remainder of this chapter is organised as follows. In Section 2, I describe several challenges which diminish the chances for decentralisation to bring about voice and power for the poor as well as responsiveness and efficiency in local decision-making. In Section 3, I provide an overview of the main features of the decentralisation reform in Uganda, including its historical and legal background, as well as the political, administrative and fiscal elements of the reform.⁴ In Section 4, I analyse the functioning of decentralisation in Uganda and show that there is a gap between the design and the implementation of the reform. In Section 5, I derive conclusions with respect to the implication of these implementation constraints for the potential impact of decentralisation on poverty in Uganda.

2. Challenges to Achieving Poverty Reduction through Decentralisation

As already mentioned, it cannot be taken for granted that decentralisation reforms indeed lead to poverty reduction because of the complexity of such reforms. It appears to be more reasonable to assume that decentralisation can contribute to poverty eradication if and only if the reform is far-reaching in scale and scope and is implemented as completely as possible. As outlined in what follows, an insufficient increase in popular participation, a lack of downward accountability plus the related problems of corruption, clientelism and patronage, and an inadequate level of competence, coupled with low human and financial capacity at the local level, all constitute serious constraints to achieving poverty alleviation through decentralisation.

2.1. *Participation*

A first challenge that can jeopardise the poverty alleviation potential of decentralisation is that decentralisation does not automatically bring about increased participation of the population in general and the poor in particular. As regards electoral forms of participation, i.e. voting and election campaigning, people are unlikely to get actively involved if elections are not free and fair, so that their votes and dedication do not have a bearing on the election result; or their preferred candidates do not have a fair chance of being elected into office. Empirical evidence has shown that local representatives are often not from among the poor but from elite groups (Echeverri-Gent, 1992; Crook and Manor, 1998).⁵ Although this might seem to be a sign of low levels of participation and representation of the poor, it must be interpreted with caution. Crook and Manor (1998) explain that it is in some countries culturally expected that elite groups participate in the development of their home regions through involvement in local councils. Councils dominated by poor people would instead be regarded as having little consequence or even as failures. Hence, the question is not so much whether local representatives belong to elite or poor groups but rather whether they are responsive to the needs of the poor. To the extent that different individuals, possibly from different elite groups, compete for political posts, they can be expected to respond to the demands of their respective supporters, if only to secure votes in the next elections. I turn to this question in more detail below. Some countries intend to guarantee representation of previously disadvantaged groups, such as the poor, women, certain religions or ethnicities, through reserved seats in local councils. Although this increases the formal representation of such groups, it may or may not bring about higher participation in local council affairs. Efforts of disadvantaged groups can simply be undermined by powerful entrenched interests, which do not allow them to voice their concerns (Tripp, 2000; Crook and Manor, 1998).

Regarding non-electoral forms of participation, i.e. contacting or lobbying local governments, the level of popular involvement depends heavily on the relationship between elected representatives and the electorate. If representatives do not succeed in establishing a meaningful role with the local population, it is less likely that people will approach the government with their concerns and attend public meetings to discuss local policies. To the extent that people do not perceive the local government to be accessible and do not see opportunities to influence decision-making, they cannot be expected to be motivated to get actively involved. However, it must be acknowledged that in countries with a legacy of strong centralisation, dictatorship or civil war, people generally need time to learn to participate in public decision-making and to demand responsiveness of

public officials. A critical level of information on local government affairs among the population is necessary to ensure meaningful participation. Equally, elected representatives must learn to include the electorate in public affairs as well as to value and respond to their opinions and priorities. Therefore, time plays a crucial role in the implementation of decentralisation.

The legitimacy of elected representatives is an important factor for participation and hence the success of decentralisation. It is not sufficient to provide opportunities for popular participation; it is necessary to build trust among the population that their interests will indeed be represented and translated into policy. If the same politicians are re-emerging again and again without enjoying wide support among the population, this gives rise to distrust in local government structures and indifference towards public affairs, including low participation in local elections (Bossuyt and Gould, 2000). Furthermore, if elected representatives do not actively promote an open dialogue with the general population, barriers for the poor to interact remain prohibitive due to social distance. Subsequently, local government decisions are less likely to take account of the needs of the poor, either because elected representatives are unaware of these needs or because they are unwilling to respond to them. It is therefore not enough to encourage people's voices; their voices must also be heard by those in power (Goetz and Gaventa, 2001). It could be expected that low representation of the poor in local councils will be related to low responsiveness of local decisions to their needs but this would be only part of the story. Even where representatives of the poor do sit on councils, there is little evidence that local governments have been more responsive to the poor and marginalized (Crook and Manor, 1998; Crook, 2003; Hickey, 2005).

2.2. *Accountability*

Closely related with the question of participation and responsiveness is that of the accountability of local governments. Local governments are accountable if they are (held) responsible for their actions. There are two main lines of accountability: civil servants should be accountable to elected representatives; and elected representatives should be accountable to the public. If there are mechanisms that form a credible threat to both local politicians and civil servants in the sense that they are punished for unresponsiveness and misbehaviour, they will have greater incentives to act in the population's interests, encouraging participation and addressing demands. Hence, accountability promotes participation of the population and responsiveness of public officials, but participation is equally a precondition for accountability. Without the engagement of the population, there will be no demands to hold officials accountable. To the extent that the proximity be-

tween citizens and local governments in decentralised systems increases the monitoring power of the population, decentralisation offers opportunities to increase the accountability of public officials (World Bank, 2001; Von Braun and Grote, 2002). Otherwise, accountability is not necessarily affected by decentralisation. It is typically not decentralisation that determines whether or not local governments are accountable but the establishment and enforcement of accountability mechanisms, such as competitive elections, auditing and evaluation, public hearings, third-party monitoring by a free press, and procedures for recall (Agrawal and Ribot, 1999; Blair, 2000; Ribot, 2002). In the words of Crook and Manor (1998: 303), a 'public "culture of accountability"' enhances the readiness of the population to complain about the misbehaviour of politicians and civil servants.

In fact, accountability turns out to be one of the most crucial elements for successful decentralisation. Agrawal and Ribot (1999: 478) note that 'if powers are decentralized to actors who are not accountable to their constituents, or who are accountable only to themselves or to superior authorities within the structure of government, then decentralisation is not likely to accomplish its stated aims.' This is so because local government systems that are characterised by relatively low levels of accountability provide scope for corruption, patronage, clientelism and elite capture, all of which are deleterious to responsive policy-making and efficient service delivery. Although these four phenomena are closely related and it is sometimes difficult to clearly distinguish between them, they are differently conceptualised. Corruption has traditionally been defined as the abuse of public office for private gain, though Kaufmann (2005) offers a broader definition, namely the privatisation of public policy.⁶ Whereas the former is supposed to place too much emphasis on the responsibility of public office-holders and on the alleged illegality of the act, the latter highlights that corruption includes both legal and illegal acts and that the responsibility for corruption resides both with those who exert undue influence as well as those who are unduly influenced.⁷

Patronage and clientelism, as integral elements of neo-patrimonial systems, both describe the relationship between patrons and clients (Erdmann and Engel, 2007). In the local government context, patrons are local politicians and clients are the local electorate. Patronage is then defined as the politically motivated distribution of favours, such as the special treatment of a particular geographic area in the provision of public goods and services, to certain groups of people, often of the patron's own kin. Clientelism denotes the exchange or brokerage of specific resources and services, such as land or office, to individuals who are not necessarily of the same kin. I make the following distinction between corruption on the one hand and patronage and clientelism on the other hand. Whereas the principal motivation in the latter case is for the one in public office to obtain political support, mainly in the form of votes, the major objective in the case of corruption

is to gain monetary benefits. Public officials involved in patronage and clientelism are therefore exclusively politicians but can be either politicians or civil servants in the case of corruption. Local elite capture can coincide with corruption, patronage or clientelism. It refers to situations in which local elites are in a position to influence policy-making for their own benefit, without necessarily being in public office themselves (Echeverri-Gent, 1992; Bardhan and Mookherjee, 2000, 2006).⁸ Since elites are privileged in terms of social, economic or political power to both get organised and obtain crucial information, it is much easier for them than for the poor to have a bearing on local government affairs.

In the presence of corruption, patronage, and clientelism, decisions are generally taken on grounds other than efficiency. In contrast to acting for the common good, officials tend to follow their self-interests of both political and economic kinds. For example, the quality with which services are provided is likely to be reduced the more job positions as well as tenders are granted on the basis of personal relationships rather than on merit. If local elites manipulate the shaping of policies and regulations, or make campaign contributions to their advantage, the benefits of public decisions tend to end up with the powerful and not with the needy. In the absence of elite capture, however, the poor may well benefit from inefficient (and politicised) policy-making. As noted above, it is in the self-interest of competing patrons to target policies and public spending towards their respective clienteles in order to secure political support. To the extent that the poor form these clienteles, this essentially translates into a system of selective redistribution. Similarly, corrupt officers may not keep monetary gains exclusively for themselves, but are likely to use them for the benefit of family members or others, who may or may not be poor. However, I want to make it explicit that even though the poor may benefit from patronage or corruption to a certain extent, this is highly unlikely to lead to broad-based and sustainable poverty reduction.

2.3. *Competence and capacity*

The responsiveness of public decision-making and the efficiency of service provision can additionally be compromised if the expectations and demands on local governments are beyond their competence and capacity. Empirical evidence has shown that certain actors in the central government tend to refuse to truly transfer power to the local level, as this curtails their own influence in decision-making (Agrawal and Ribot, 1999; Bossuyt and Gould, 2000; Crook, 2003). Possibly the largest opponents to devolution are those officials in line ministries who stand to lose much of their rights and discretion to local governments. The control of the centre sometimes expresses itself in centrally appointed local officials who

are supposedly better able to look after the interests of the state or in national priority-setting that has to be followed locally. This severely limits local autonomy, restricting the ability of local governments to determine funding and service delivery as they deem appropriate. Even if local governments are aware of local needs and preferences and are willing to respond to them, they simply cannot break out of the hierarchical constraints that prevent them from delivering. Besides, it is sometimes claimed that central control over local decision-making is necessary due to high levels of corruption in local governments. The alleged association between the level of discretion and the level of corruption suggests that the more autonomy local governments have, the higher is the incidence of corrupt practices. However, this would be too shortsighted as corruption is closely related with local accountability. Hence, if local governments were accountable, corruption could be expected to be lower even if there was a high level of discretion.

Central government reluctance to grant full autonomy for local policy-making to local governments indicates that decentralisation is a highly political process. If the central government is not fully committed to decentralisation but embarked on the reform by default (in contrast to by design), it is highly likely to slow down the process wherever possible and to leave the most crucial aspects of public decision-making under central control. As Crook and Manor (1998) note, the hidden politics of decentralisation become visible by an examination of which rights and responsibilities are not devolved. The commitment of the central government strongly influences whether the relation between the centre and the local governments is of a supportive and equalised kind. It has been shown that decentralisation has proved to be more effective in cases when the centre was prepared to ensure implementation of local policies and to challenge local elite resistance if necessary without interfering in local autonomy (Crook and Svendsen, 2001; Crook, 2003). Besides, coherence between decentralisation and sector policies, as well as between government decisions and donor activities is essential to promote success of decentralisation and avoid confusion about the division of tasks and responsibilities between all relevant stakeholders (Bossuyt and Gould, 2000; Land and Hauck, 2003).

In addition, mismatches between the responsibilities of local governments and their capacity represent obstacles to responsive policy-making and efficient service provision. Capacity is here understood as the ability of local governments to perform their assigned functions (Grindle and Hilderbrand, 1995; Grindle, 1996; Boesen et al., 2002).⁹ Capacity is not equated with effectiveness, as a capable local government is not automatically well-performing and effective if it does not apply its capacity in the interest of the common good (World Bank, 1997). This implies that local governments' capacity is a crucial precondition for making decentralisation effective for poverty alleviation, but capacity itself does not necessarily lead

to reductions in poverty. In order to make local governments capable, adequate human capital and sufficient financial resources play an equally important role.

On the one hand, it is imperative that both politicians and civil servants are adequately educated and experienced to fulfil their assigned functions. Untrained and unprofessional officials are less likely to understand and correctly assess the requirements and consequences of decentralisation in their entirety, hence putting the proper implementation of the reform at risk. For example, it is unclear whether they can translate local information into responsive service provision and whether they can organise the local decision-making process so that citizens have equal opportunities to participate. Besides, the level of education among officials is closely related to accountability (Crook and Manor, 1998), which is not to say that education safeguards from corruption or patronage, but it makes the existence of and compliance with accountability mechanisms more likely. It must be noted that the human capital challenge can be expected to be more pronounced in poorer and less developed countries where the level of education is generally low. While it may still be possible to attract educated and trained personnel at the central government level there, it will be difficult to ensure an adequate level of education and experience among politicians and the civil service in every local government unit. Yet, this may equally be a problem in countries with higher education levels, as potential politicians and civil servants are more attracted to the central than to local governments due to better career chances in the first (Prud'homme, 1995; Bardhan, 2002). In any case, to the extent that politicians and staff are inadequately trained, it will be hard to achieve poverty reduction through decentralisation.

On the other hand, even if local governments are equipped with adequately educated personnel but do not possess the financial means to do their duties, it is rather unlikely that decentralisation will deliver on the expectations placed on it (Prud'homme, 1995; Romeo, 2002). Empirical evidence has shown that expenditure assignment to local governments is sometimes more extensive than revenue assignment, either because the costs are underestimated or because the centre appropriates to itself the most lucrative sources of public revenue (Crook and Manor, 1998; Livingstone and Charlton, 2001; Asante, 2003). However, resource deficiencies severely undermine the ability of local governments to fulfil their functions and conduct even the most basic activities such as holding meetings or recruiting staff. There is a multitude of financing alternatives for local governments. The design of the fiscal arrangement must of course depend on the social, political, and economic context of any particular country, but with regard to promoting transparency and accountability, it may be preferable to strengthen local taxation as much as possible (Olowu, 2003).

3. Decentralisation in Uganda

3.1. *Historical and legal background*

Uganda's experience with a decentralised system of government traces back to colonial times when the British governed by what they called indirect rule.¹⁰ The British district commissioners reigned over the districts of the country through native authorities, who were typically traditional chiefs. They acted as mediators between the commissioners and the indigenous population, exercising direct administrative control over the people while remaining subject to the advice and overrule of the colonial authorities. When the country achieved independence in 1962, the native authorities were abolished. The new district commissioners, who were invariably Ugandans, were representatives of the central government at the district level. The Independence Constitution provided for the devolution of powers to kingdoms, urban councils and district councils under a quasi-federal form of government. The elected councils were allowed to enact byelaws and dispense services, while the four kingdoms of Buganda, Bunyoro, Ankole and Toro and the territory of Busoga enjoyed substantially more autonomy.¹¹ In 1966, however, this attempt at federalism came to an abrupt end as the then Prime Minister Milton Obote suspended the Constitution and centralised all executive powers in the presidency. He abolished the kingdoms and even forced the Kabaka (King of Buganda) into exile. In order to consolidate these changes, the Local Administrations Act was passed in 1967, which divided the country into eighteen districts, downgrading them from local governments to local administrations and depriving them of any discretionary power. Henceforth, the only sub-national institution with (partly formal, partly informal) power was the traditional chief.

This highly centralised government system remained in place until the mid-1980s. Things began to change with the guerrilla war of the National Resistance Movement (NRM) under the leadership of today's president Yoweri Kaguta Museveni, which lasted from 1981 to 1986. With the aim to overthrow the acting government of Milton Obote, who had come to office for a second time in 1980¹² by allegedly unfree and unfair elections, the NRM established resistance councils in the areas under their control in order to mobilise and politicise the masses. In addition to providing support in the fight against Obote, these resistance councils were of strategic importance as they were meant to be an instrument to install and consolidate democracy. The NRM had the vision to establish a new and revolutionary concept of democracy – one that is presented as participatory, grass-roots based and popular, rather than representative, elitist and parliamentary – and councils at the local level were considered to be the most appropriate way to achieve such a type of democracy.

When the NRM seized power in 1986, one of the first endeavours of the new government was to set up resistance councils throughout the entire country. A Local Government Commission was appointed to investigate the prevailing system of local administration and, as the case may be, to propose reforms. As noted in the final report of this commission, although the terms of reference 'did not specify that the reforms recommended take any particular direction, it is clear that expressed public opinion did expect the Commission to steer its recommendations in the direction of one single overall objective: decentralisation' (Republic of Uganda, 1987: 6). The Commission indeed recommended maintaining the resistance councils and assigning them with a number of watchdog, deliberative, legislative, executive, dispute settling and security functions. In Mamdani's (1995, 1996) view, this represented a major step towards dismantling 'decentralised despotism' in rural areas, where traditional chiefs had been exercising substantial power without any checks and balances. Yet the Commission did not advocate full-blooded devolution, which would have included the transfer of all executive functions to the local level, because it feared this could have disintegrative implications for such an ethnically and economically heterogeneous country like Uganda.

The Resistance Councils and Committees Statute of 1987 legalised the resistance council system, creating a five-tier pyramidal structure with councils and committees at the village (RC₁), parish (RC₂), sub-county (RC₃), county (RC₄) and district (RC₅) levels.¹³ The Statute aimed at securing and ensuring popular participation in decision-making, mobilising the masses for local economic development, fostering empowerment of the population in the political sphere, and eliminating dual structures at the local level (Lubanga, 1996). But despite these ambitions, it turned out to be very difficult to implement the provisions of the Statute (Republic of Uganda, 1990). A major reason was seen as the resistance of central ministries to devolve powers to the local level: 'Recalcitrant ministries balk at the prospect of dispersal of resources to the field – ostensibly due to lack of infrastructure amenities and a supportive legal framework. But what really appears to be most at stake is the implicit loss of control of massive financial and material resources' (Republic of Uganda, 1990: 37). Subsequently, an intense debate about the future of the local government system was set off among permanent secretaries, local government leaders, decentralisation experts and other stakeholders. As a result and in the form of a memorandum, it was proposed to the cabinet in 1991 to adopt a far-reaching reform of decentralisation. The government was prepared to implement this, and, in October 1992, a presidential policy statement officially launched the current decentralisation reform.

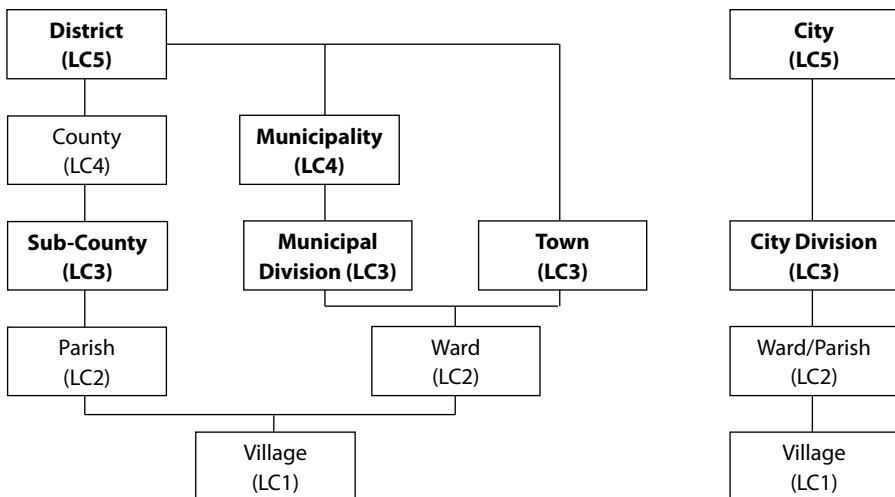
Since then, the implementation and institutionalisation of decentralisation has gained momentum. It was first enshrined in the Local Government (Resist-

ance Councils) Statute of 1993 and then in the Constitution of 1995. Since the constitution made provisions on principles, structures and finances of local governments that went much further than the 1993 Statute, it became necessary to repeal the Statute and replace it by another legal document. The resultant Local Governments Act of 1997 paved the way for full implementation of the decentralisation reform as envisioned by the government, and determines the political, administrative and fiscal aspects of decentralisation in Uganda today.

3.2. *Political decentralisation*

The five-tier pyramidal structure established in 1987 still forms the foundation of the current local government system, but resistance councils were renamed as local councils with the 1995 Constitution. These councils form the political organ at the local level. They are headed by the council chairperson who is elected locally and is answerable to the respective council that he/she chairs. The district council (LC5) is the highest local government level, with the city council (LC5) as the urban equivalent.¹⁴ The sub-county (LC3), municipality (LC4), municipal division (LC3), town (LC3) and city division (LC3) councils are classified as lower local governments; and the county (LC4), parish (LC2), ward (LC2) and village (LC1) councils as administrative units (Figure 1). Local government councils have

Figure 1: The five-tier system of local governments and administrative units in Uganda



Source: Author's illustration.

Note: Bold institutions are local governments, others are administrative units.

planning, legislative and executive powers, with the right to formulate, approve and execute their own budgets and development plans. The district development plan is supposed to incorporate the plans of lower local governments, and these in turn are expected to integrate the plans of administrative units (except the county) in their jurisdictions. Besides having limited autonomy in planning, the councils of administrative units are mainly responsible for the resolution of problems or disputes at their respective levels, the monitoring of service delivery, the encouragement of self-help projects, and assistance in the maintenance of law, order and security. In both local governments and administrative units, the council chairperson, the vice chairperson, and a specified number of additional councillors form the executive committee, which is the executive and functional arm of the council. It initiates policies and submits them to the council for approval, monitors the implementation of council programmes, and reports to the council.

In higher and lower local governments, councillors represent electoral areas or specific interest groups and are elected every four years.¹⁵ Those councillors representing electoral areas (one per electoral area) and women (one-third of all councillors) are elected by universal adult suffrage through a secret ballot, while those representing the youth and persons with disabilities (two for each interest group) are elected by respective electoral colleges through a secret ballot. In lower local governments, there are two additional councillors who represent elderly persons. In administrative units except in the villages, the council is constituted by all members of the executive committees of the respective lower level. The village council, in contrast, is composed of all persons of eighteen years and above residing in the village.¹⁶

3.3. *Administrative decentralisation*

The administration in local governments and administrative units is clearly accountable to its respective councils. The administration in local governments is headed by the chief administrative officer in districts, the town clerk in cities, municipalities and towns, and the chief in sub-counties. These people are the main accounting officers in their jurisdiction. They chair the technical planning committee, which is the organism that coordinates and integrates sectoral plans of lower local governments for presentation to the district/city council, conduct monitoring and supervision visits, discuss progress of programme implementation, and compile annual reports. The committee is made up by the heads of sectoral departments in the local government, which in turn are in charge of the technical work in such sectors as education and sports, works and technical services, production, health, management support services, finance and planning, and

community-based services. Administrative units do not have well-established administrative structures. The chief in counties and parishes/wards is the only administrative officer at these levels who is responsible for administrative coordination and support of sub-counties and for the collection of and accounting for local revenue, respectively. Villages do not have any permanent staff but are supported administratively and technically by parish and sub-county staff if necessary.

In addition to these administrative structures, there are several statutory bodies at the local level. These are the District Service Commission, the Local Government Tender Board, the Local Government Public Accounts Committee, and the District Land Board, all of which are appointed by the district council on the recommendation of the district executive committee and are thus accountable to the district council as well. The District Service Commission is responsible for the hiring and firing of all administrative staff and civil servants (such as teachers, health workers, etc.) as well as human resource development within its area of jurisdiction. The Local Government Tender Board awards tenders for the local supply of goods and services. The Local Government Public Accounts Committee is in charge of auditing and reporting to the district council and the Ministry of Local Government. The District Land Board deals with any matters connected to land in the district, particularly the allocation of land which is not owned by any person or authority. A number of central government institutions are supposed to support local governments and administrative units in the fulfilment of their mandated functions, including the Ministry of Local Government, the Ministry of Public Service, the Ministry of Finance, Planning and Economic Development, and the different line ministries. The line ministries are in charge of securing the local implementation of nationally set policies and local governments' adherence to performance standards. At the district level, the resident district commissioner acts as a direct link between the central government and the district. He/she is appointed by the President of Uganda and is principally responsible for supervising the local implementation of those functions that are not decentralised, such as defence and security.

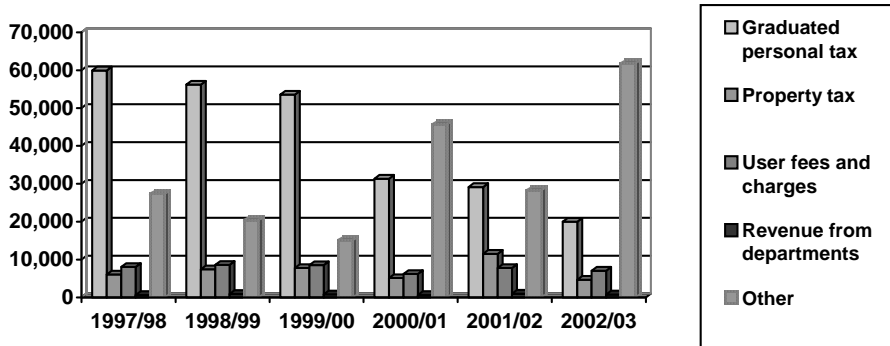
With regard to the assignment of service delivery responsibilities to different levels of government, the Local Governments Act is very comprehensive and precise in determining which levels of government are in charge of which functions and services. In line with the principle of subsidiarity, it is established that local governments and administrative units are responsible for those functions and services which the respective higher levels are less able and appropriate to fulfil. In general, local governments and administrative units are thus responsible for all functions and services that are not assigned to the centre. In very broad terms, central functions comprise of the provision of national public goods, such as de-

fence, security and foreign relations, and the elaboration of national guidelines for sectoral policy-making, while local authorities deliver local public goods and services. The responsibility for a large number of service delivery sectors was devolved to the local level. Specifically, the Local Governments Act differentiates between: 1) functions and services for which districts are responsible (for example, education services except for tertiary education, basic health services, water services, road services except for trunk roads between districts); 2) functions and services for which cities, municipalities or towns are responsible (for example, street lighting, ambulance services, fire brigade services); 3) functions and services to be devolved by the district to lower local government levels (for example, provision of nursery and primary education, provision of agricultural ancillary field services, provision and control of soil erosion); 4) functions and services to remain at city or municipal level and not to be transferred to lower levels (staffing and payment of staff, mortuary and cemeteries, construction and maintenance of major drains); and 5) functions and services to be devolved by the city or municipalities to lower levels (for example, health education and visiting, immunisation, road sweeping).

3.4. *Fiscal decentralisation*

In order to empower local governments and administrative units to fulfil their responsibilities, they are entitled to collect or receive local taxes and fees, and to receive a number of intergovernmental grants.¹⁷ With regard to taxes and fees, district and urban local governments are allowed to impose property tax, several forms of non-tax revenue (market dues, trading licences, parking fees, education contributions, etc.), and, until fiscal year 2004/05,¹⁸ graduated personal tax. The collection of this own local revenue is generally accomplished by sub-counties on behalf of district councils in rural areas and by divisions on behalf of city or municipal councils in urban areas.¹⁹ According to the law, own local revenue proceeds are retained locally and shared between all levels of local government and administrative units but not with the centre. With regard to intergovernmental transfers, unconditional, conditional and equalisation grants are channelled to district and urban councils who then distribute them downwards. Until 1999/00, these grants exclusively entailed the recurrent budget, while the development budget was still centralised.²⁰ Starting with the Local Government Development Programme funded by the World Bank and implemented by the Ministry of Local Government, development funds have since been devolved to the local level.

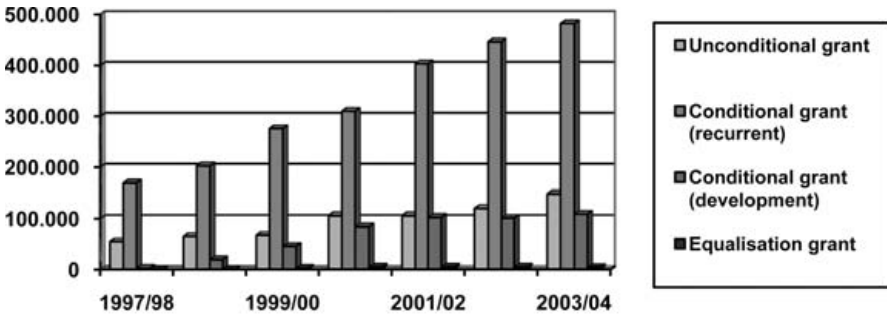
Figure 2: Own local revenue, 1997/98-2002/03 (million Ush)



Source: Author's illustration based on data from Local Government Finance Commission.

It is very difficult to obtain consistent data on Ugandan local finance in general, and it is impossible to obtain such data for periods prior to the mid-1990s. There had not been a coordinated and standardised way of data collection in local governments until the Local Government Financial and Accounting Regulations were passed in 1998. Since then, data availability has improved but remains, at least partly, fragmentary and erroneous. Local finance data must therefore be treated with great caution. This is particularly true in the case of data for own local revenue, as many local governments do not report own revenue in a disaggregated way, but instead report total revenue under 'other' sources. Numbers for the different revenue types are therefore likely to be under-reported and numbers for other sources are likely to be over-reported. This is illustrated in Figure 2, which shows own local revenue for the years 1997/98 to 2002/03.^{21,22} Due to the high declaration for other revenue, especially in recent years, the figure should be regarded as no more than a vague indication. What it shows clearly, however, is that graduated personal tax had been an important source of own local revenue, which makes the abolition of this tax in 2005 a highly critical decision as is discussed below. Figure 3 illustrates the evolution of intergovernmental transfers between 1997/98 and 2003/04.²³ In absolute terms, transfers have substantially increased over time, and conditional grants more so than unconditional and equalisation grants. The share of conditional grants in total grants amounted to 76 per cent in 1997/98 and increased to 80 per cent in 2003/04, while the share of unconditional grants decreased from about 24 per cent to about 20 per cent. Equalisation grants had not been distributed until 1999/00 when ten districts received the grant for the first time, and these grants have never become very important in nominal terms.

Figure 3: Intergovernmental transfers, 1997/98-2003/04 (million Ush)



Source: Author’s illustration based on data from Steffensen et al. (2004: Annex 4.8) for 1997/98-1999/00 and from Local Government Finance Commission for 2000/01-2003/04.

The system of intergovernmental transfers as it evolved since the initiation of the decentralisation reform turned out to produce some major obstacles. Most importantly, the number of conditional grants increased so much that the management of these became an administrative burden for both the centre and local governments. In 2004, there were thirty-seven grant schemes (twenty-six sectoral and eleven non-sectoral); all having different conditions and reporting requirements attached and each requiring separate bank accounts. As a result, local governments had to submit numerous reports to the centre in each quarter (Steffensen et al., 2004), which used a substantial part of the limited available human resources. In consequence, cabinet passed the Fiscal Decentralisation Strategy in June 2002, which was introduced in fifteen pilot local governments in 2003/04 and countrywide in 2004/05. It entails two systems of intergovernmental transfers, the recurrent transfer system and the development transfer system, through which the unconditional, conditional and equalisation grants are now channelled. This significantly reduces the administrative burden compared to the previous transfer system. Besides, the Fiscal Decentralisation Strategy provides for a greater flexibility in the use of grants. With increasing capacity of local governments, grants are planned to have decreasing conditional and increasing unconditional elements.

4. Constraints on the Implementation of Decentralisation in Uganda

From the presentation in the previous section, it becomes clear that decentralisation in Uganda was designed as a highly ambitious and far-reaching reform with transfer of extensive power and responsibilities to the local level. Political commitment to decentralisation and local democracy paved the way for an exemplary form of devolution, at least on paper. If decentralisation was implemented and functioned as it is provided for by law, it should offer much potential for an impact on poverty through popular participation, responsive policy-making, and efficient service provision. However, despite the exceptional reform efforts, a gulf remains between principles and practice. A number of serious constraints on the proper implementation of the decentralisation reform can be identified, all of which correspond to the challenges that were introduced above, i.e. low popular participation, low levels of accountability, and low competence and capacity at the local level. I elaborate on these constraints as follows.

4.1. *Limited autonomy in decision-making*

Despite the *de jure* devolution of decision-making responsibilities, line ministries have *de facto* remained with substantial power over local policy-making, which expresses itself in two ways. First, line ministries determine national objectives and priorities, especially within the national Poverty Eradication Action Plan. The overall objective of this plan is to reduce the poverty headcount to 10 per cent by the year 2017, and sector-wide approaches operationalise actions to achieve this. Since the implementation of many sectoral policies, especially poverty-relevant service delivery functions, lie within the competence of local governments, these have to adhere to the provisions made by line ministries in order to fulfil the national objectives even if they would set local priorities differently. Second, and very much related to this, the operations of local authorities depend almost entirely on funds obtained through sector budgets, which are transferred as conditional grants to the local level. The attached conditions are defined by the line ministries, partly in collaboration with donor organisations, and spell out budgetary allocations, performance targets, and technical specifications. As can be seen from Figures 2 and 3, about 90 per cent of locally available resources are intergovernmental transfers, and about 80 per cent of these transfers are conditional and thus predetermined for a particular use. Reallocations between sectors according to local priorities are ruled out even though this is likely to be changed under the recently initiated Fiscal Decentralisation Strategy.

Reasons for this reliance on conditional grants appear to be manifold. The introduction of the Poverty Action Fund in 1998/99, which is a protected part of the public budget mainly used for so-called poverty priority areas (primary education, primary health care, rural road rehabilitation and maintenance, agricultural extension, and rural water and sanitation) and channelled through local governments, resulted in an extensive conditioning of intergovernmental grants to ensure that these grants are spent on the intended purposes (Republic of Uganda, 2002). Besides, the use of conditional grants has often been deemed necessary by central authorities because of presumed weak financial management and accountability mechanisms at the local level, as well as concerns about local capacity and willingness to make decisions in line with national priorities (Steffensen et al., 2004). The perspective in some line ministries is that decentralisation has fragmented and confused efforts towards coherent pro-poor service delivery (Hickey, 2003). However, empirical evidence has shown that local decisions made under discretionary funding match national objectives to a great extent (Onyach-Olaa, 2003). As one interviewee stated, local misuse and contradictory decision-making are no more than the official reasons to justify the high share of conditional grants; the real reason is that line ministries hang on to power.²⁴

Whereas resistance to the transfer of autonomy to the local government level is natural and generally to be expected in the course of decentralisation reforms, it need not represent a major obstacle if there was a spearheading institution pushing the reform through and relating it to other policies and reform programmes. The lack of such an institution is one of the most important constraints on the implementation of decentralisation in Uganda according to one of my interviewees.²⁵ Land and Hauck (2003: 15) tend to agree when they write: 'It is unclear who is now responsible for championing the process.' At the initial stage of the decentralisation reform, an advocating institution was established in the form of the Decentralisation Secretariat. This secretariat was created in 1992 under the head of the Ministry of Local Government to facilitate the implementation of decentralisation and it was delegated a wide range of responsibilities (Villadsen, 1996). It provided 'highly competent critical technical guidance' in the first years of the reform (Steffensen et al., 2004: 26) but was shut in July 2004, as it was assumed that sufficient capacity within the Ministry of Local Government had been built (MoLG, 2004). Already in the mid-1990s, Villadsen (1996) noted that to resolve the difficulties in line ministries regarding their roles and functions in a decentralised system would be a great challenge and should be addressed by the Decentralisation Secretariat. However, in the light of its decreasing influence, the Secretariat has not been able to do so. Almost a decade later, Steffensen et al. (2004) still note that line ministries have to be brought on board with regard to their responsibilities *vis-à-vis* local governments. Sector regulation and prac-

tice are often inconsistent with and potentially undermining decentralised service delivery, partly because sector legislation predates the Local Governments Act (Land and Hauck, 2003; MoLG, 2004; Steffensen et al., 2004). It has therefore been proposed to re-define the role of the Ministry of Local Government as a crosscutting ministry, thereby enabling it to spearhead the decentralisation process (MoLG, 2004).

4.2. *Conflict between politicians and civil servants*

A second constraint on the implementation of decentralisation is the fact that the relationship between the political and administrative wings of local governments has not been without differences. In the past, administrators have reportedly blamed the councillors for interfering in their operations, while politicians have in turn accused them for not adhering to their guidance (Steffensen et al., 2004). This can principally be attributed to confusion about the respective roles and functions of councillors and administrators, aggravated by a shortage of educated and experienced manpower. Local politicians as well as civil servants are often inadequately trained for their responsibilities, which is not surprising given the relatively low level of education in Uganda. With regard to administrative and service provision staff at the local level, such as accountants, planners, engineers, teachers and health workers, there is a general lack of educated personnel in the country, and remote areas face particular difficulties to recruit and retain personnel.²⁶ With regard to politicians, a problem consists in the fact that councillors are elected and not recruited based on their educational qualifications (except for the district council chairperson who must fulfil the minimum qualification of advanced level standard or its equivalent), which sometimes results in councillors having completed fewer school years than administrators or service provision staff.

This provides scope for conflict between civil servants, particularly administrators, and councillors since the first are supposed to be accountable to the latter. The problem can be further intensified in higher local governments where some of the councillors are employed full-time and are paid emoluments²⁷, which according to local conditions may be higher than the wages of administrators (Foster and Mijumbi, 2002; Francis and James, 2003).²⁸ One interviewee pointed out that conflicts between the administration and the council can inhibit the proper functioning of local councils or administrations, resulting in delays and inconsistencies in the planning and budgeting processes as well as poor service delivery.²⁹ In fact, due to a clash between the council chairperson and the chief administrative officer in Tororo district, council meetings were rather dedicated to arguments about the distribution of power than to the core council business.³⁰ Steffensen et al. (2004) note that constant guidance and training on the respec-

tive roles of and relationship between politicians and administrators in such incidences by the Ministry of Local Government have improved the situation. In order to tackle issues of low human capacity and inadequate staff levels at the local level, a restructuring of local governments is under way, which aims at better co-aligning the devolution of functions and responsibilities with staffing structures (MoPS, 2003).

4.3. *Conflict between different local levels*

Human capacity constraints are generally more pronounced at lower than at higher local levels. Very often, this makes higher levels hesitant to transfer resources downwards, as they do not trust in the ability of lower levels to use their resources efficiently and to account for the funds they receive (Francis and James, 2003). Districts and higher urban councils, which coordinate intergovernmental grants, do not necessarily share these with lower government levels as provided for by law. And sub-counties, which are supposed to transfer a particular share of own local revenue to the village and parish levels, do not always do so either (LGFC, 2000). This in turn jeopardises an efficient service delivery, even though the mistrust in lower local governments is not necessarily justified. One interviewee noted that there might be a trade-off between capacity and accountability. While sub-counties and villages might face bigger capacity constraints than districts, they might be more accountable because of their proximity to citizens.³¹

In fact, households turn out to be more satisfied with the performance of local governments or administrative units the closer these are to the population, as found by Saito (2003) and MFPED (2000). Data from the National Service Delivery Survey corroborates this, with 61 per cent of households rating the performance of village councils as good and 26 per cent as fair, while only 38 per cent think that sub-county councils perform well and 23 per cent that they perform fairly.³² Closely related with this is the fact that distance presents an access problem for only 4 per cent of the respondents in the case of village councils but for 25 per cent in the case of sub-county councils.³³ This implies that the proximity of lower levels is an advantage that should not be disregarded, as it has the potential to enhance levels of participation and accountability.

An additional difficult dimension of the relationship between different local levels is the issue of integrating lower-level development plans into higher-level development plans. It appears that if lower-level plans reach higher local governments, they are rarely incorporated (Francis and James, 2003). This can be for several reasons. First, as above, mistrust in the capacity of lower government levels and hence disrespect for identified priorities and elaborated plans can be a cause. Second, ignorance of procedures among the officials in charge can represent the

source of the problem, as noted by an interviewee.³⁴ Many officials simply do not understand the rules of the game, and nobody at the local level is informed about what is going on, who has which plans, and whether plans have been written at all. And third, delays in the submission of plans from lower levels naturally leads to a considerably reduced probability of their consideration.

I observed such a situation in Tororo district. I visited three sub-counties at the beginning of July 2004, and none of them had submitted their plan to the district even though the new fiscal year had already started. I was told that planning had started late because of a lack of resources for transport to villages, the organisation of meetings, paper, etc. The district development plan in turn had already been drafted, which makes it very clear that lower-level plans had not been integrated. In the sub-counties, the picture with regard to the incorporation of village plans was mixed. In one sub-county, village plans were supposed to be ready but could not be found when I wished to see them. In another, the council headquarters were abandoned and nobody could be found to provide me with information about village plans. In the last sub-county, I came across a very positive example. The council chairman was present and showed me orderly village plans (including priorities and respective units of responsibility) for all thirty-seven villages in the sub-county. He told me that he himself together with other sub-county leaders had gone to all these villages and organised the elaboration of village level plans. I am afraid that this positive example is an exception rather than the rule.

4.4. *Financial shortages*

Approximately 30 per cent of the total Ugandan government budget is today transferred to local governments as intergovernmental grants and about 27 per cent of total public expenditures are spent at the local level.³⁵ These proportions are relatively high but they must be seen in the light of expenditure assignments. Since most service delivery functions have been decentralised, local level financial requirements are high. Yet, fiscal decentralisation was pursued without a systematic costing of decentralised services in the initial stage of the process, and devolving new functions was done without adequate compensation of the costs of these (LGFC, 2000). Even though transfers have increased incrementally, this has happened without proper consideration of the costs of local functions, and local governments have always complained about the inadequacy of their finances.

In an attempt to investigate the relevance of this complaint, the Local Government Finance Commission conducted a study and found that local governments had an annual recurrent expenditure need of Ush 228 billion (approx. US\$150 million, or €167 million) in 2000/01, exceeding the conditional grants they received,

most of it in general administration, health and agriculture (LGFC, 2000). It was suggested that two-thirds of this amount could be covered by unconditional and equalisation grants as well as by a substantial increase of locally collected revenue, but a third still remained uncovered. The results of this study were passed to the central government for consideration and the recurrent transfers have since increased. But a recent report reveals that funds are still not commensurate with service delivery requirements, which is reflected by the long list of unfunded priorities in local governments and funding gaps in sector strategic investment plans (MoLG, 2004).

The principal problem with regard to local finance is that collection of local taxes and fees is extremely low, about one-third to one-half below the potential (LGFC, 2000). Reasons for this are manifold and include the politicisation of local taxes, wide reluctance among the population to pay tax due to arbitrary, regressive and sometimes forceful collection practices, lack of awareness of taxpayers about the connection between services and taxes, collusion between tax collectors and taxpayers, and lack of administrative capacity at the local level (Livingstone and Charlton, 1998; LGFC, 2000; MFPED, 2000; Ellis and Bahiigwa, 2003; Francis and James, 2003; Bahiigwa et al., 2004; Kasimbazi, 2004). I believe that the high level of intergovernmental transfers represents an additional disincentive for collection of own local revenue, as also pointed out by the Republic of Uganda (2002) and Land and Hauck (2003).³⁶

In consequence, locally-collected revenue does not allow for many productive investments and is instead just sufficient to cover councillors' emoluments and allowances. The same is incidentally true for unconditional grants, which are supposed to pay for wage and non-wage expenditures of administrative staff; but the transfers to some local governments are even lower than the wage bill (Francis and James, 2003). This has two important implications. First, since conditional grants are insufficient to provide the required funds and proceeds from other sources are no more than marginal, the problem remains that part of the functions and duties of local governments are unfunded. And second, local governments do not dispose of much autonomy and discretion with regard to their expenditure assignments for exactly the same reason, i.e. that conditional grants account for the major share of local revenue.

It must be emphasised at this point that the problem of low local tax collection is far from being resolved. Instead of improving local governments' capacity to collect taxes and fees, the central government recently abolished graduated personal tax, which was an important local tax in nominal terms and an innovative form of direct taxation in a predominantly rural setting. Proceeds from graduated personal tax had steadily decreased over the last years, which was mainly due to political interference. The tax had repeatedly been used for campaign objectives,

for example in the 2001 presidential elections, leading to a widespread refusal to pay the tax and a significant drop in revenue collection. Yet from the local finance point of view, the abolition of graduated personal tax was an incorrect and counterproductive decision. On the one hand, it will further decrease local governments' ability to cover expenditure needs, as well as curbing their financial autonomy in the short run because it makes them even more dependent on transfers from the centre. On the other hand, and maybe more importantly, it obstructs the opportunity to increase local accountability, as citizens will lose the feeling that they contribute to the common good with their taxes and can thus expect services in accordance with their needs. It would have been much more advisable to reform the prevailing, admittedly partly harmful, local tax system and improve the administration and collection thereof.

There is certainly no obvious solution to how local tax systems should be reformed; but it appears that this question has not received sufficient attention from the central government. Most strikingly, the fact that graduated personal tax was abolished in the midst of the debate about the removal of presidential term limits and just ahead of the 2006 presidential elections suggests that the motivation to do so was more political than fiscal. Due to the unpopularity of the tax, it could be assumed that the majority of the people would more than welcome this decision and show gratitude at the poll stations. It was, however, not given sufficient consideration that abolishing graduated personal tax would result in a resource gap for local governments of an estimated Ush 80 billion,³⁷ which, without introducing a viable alternative, would 'cause a serious crisis to the local government system' (MoLG, 2004: 13). At the time of my field research in May 2005 when the budget for 2005/06 was to be adopted, the National Budget Framework Paper did not contain a position to compensate local governments for losses resulting from the abolition of graduated personal tax. The 2006/07 Background to the Budget at least recognises that local governments should be compensated for the loss of revenue from graduated personal tax and lists this as one of the 'activities that will take first call on any additional resources' (MFPED, 2006: 32).

4.5. *Election behaviour and low information levels*

A crucial aspect of the decentralisation-poverty nexus is the intended increase in popular participation in public decision-making, i.e. the relationship between local governments or administrative units and the local population. With regard to electoral forms of participation, local elections have taken place in 1989, 1992, 1998, 2002 and 2006 since the NRM came to power. Onyach-Olaa (2003) notes that a high turnover of councillors at local elections can be seen as a sign of ac-

countability because those candidates who did not perform well are punished and voted out of office. Occasionally, local council elections appear to be won on the basis of criteria other than candidates' capability or merit. In particular, wealth appears to play an important role. Muhumuza (2003) reports that the most affluent candidates often receive most votes because they can distribute monetary or in-kind benefits to the constituency in the run-up to the elections. Titeca (2005) confirms this, noting that councillors invest a lot of money during electoral campaigns, which in their eyes legitimises them in maximising personal benefits derived from state resources once in office as a way to recover the investment. Related to this, several of my interviewees referred to the phenomenon of councillors' constant attendance of workshops and meetings, where allowances and meals distributed provide the main incentive to attend rather than the topic discussed.³⁸ Yet the wealth factor seems to be of higher relevance in elections of higher local governments than lower local governments. Councillors tend to be more elite, wealthy and highly educated at the district level, but are generally characterised by a certain status in the community (e.g. long residency in the locality, maturity, marriage and good behaviour) at lower levels (Saito, 2003). Beside wealth, ethnic and religious background partly influences election behaviour. For example, an advisor to the Tororo district government told me that unless the district council has Catholic, Protestant, and Muslim members, there is large potential for conflict due to mistrust between the religions.³⁹ And lastly, it happens that community elders influence the outcome of elections by way of advising the community on whom to vote for.⁴⁰ Nevertheless, whatever people may have based their election decision on, it is fair enough to say that they have had and have used the opportunity to raise their voice and elect their representatives.

As far as non-electoral forms of participation are concerned, however, the situation looks more discouraging. An interviewee stated that there is hardly any consultation between local governments and administrative units on the one side and citizens on the other side when work plans are prepared and budgets formulated.⁴¹ The Uganda Participatory Poverty Assessment (MFPED, 2002) came to the same conclusion. Meetings of local governments are generally open to the public and citizens can solicit access to the minutes of these meetings. However, in few instances have citizens indeed attended meetings or requested to see the minutes (Steffensen et al., 2004). Reasons for this are many and include high opportunity costs of attending meetings in the form of foregone income, an overload of meetings,⁴² the discussed matters being too technical,⁴³ the limited resources at stake, and the perception that local decisions are the prerogative of elected representatives (Francis and James, 2003). But more often than not the ignorance of the population plays the major role. People have not fully understood what

decentralisation is about and what their rights and duties are. An interviewee described this as follows: 'It was an extreme shift from the government deciding what is best for the people to the people telling the government what is best for them.'⁴⁴ Since it was too radical, it did not work. He quoted an experience made during research in a very remote area. When he introduced himself as conducting a survey on behalf of the government, the interviewees told him that they had long waited for him ('the government') to come to their village. Hence, as long as there are people who are not sufficiently informed about the meaning and implications of (local) government and decentralisation, the level of popular participation will remain severely constrained.

4.6. *Corruption, patronage and clientelism*

The fact that the principles of decentralisation are not yet fully comprehended by either local politicians, local administrators or local citizens entails the risk of 'the process of decentralisation degenerat[ing] into a scramble for local influence and local power' (MoLG, 2004: 4). Francis and James (2003: 336) note that under the conditions on the ground, 'those with vested interests are capable of turning the institutions and opportunities created through decentralization to their own advantage'. Essentially, this implies that there is wide scope for corruption, patronage, clientelism, and elite capture. But caution must prevail here. Knowledge about the incidence of these practices is restricted by their sensitive nature, and general conclusions should not be drawn from single cases. It is sometimes believed that decentralisation in Uganda has led to a mere dispersion of corruption, 'redefining the character of corrupt relationships from those controlled by the centre to those controlled by district-level officials' (Watt et al., 1999: 48). However, contentions that corruption is higher at the local level may be influenced by perceptions, since local corruption may simply be more visible (Martinez-Vazquez et al., 2004). In addition, while decentralisation may have increased the number of people with access to public resources, it may also have decreased the amounts used for private gain. It thus remains hard, if not impossible, to tell whether there is more or less corruption under the decentralised system in Uganda.

Quantitative evidence on the incidence of corruption is very hard to find but the Second National Integrity Survey analysed by Deininger and Mpuga (2005) and the National Service Delivery Survey (NSDS) provide some insights into the (perceived) corruption situation at the local level. The Second National Integrity Survey was conducted in 2002 among both private and public sector representatives in order to assess the incidence of corruption in different government institutions and foster the empirical basis for policies and programmes aimed at

strengthening accountability and improving public service provision. The data illustrate that the incidence of perceived corruption varies widely between the considered institutions, ranging from extremely low levels in the Central Bank (3 per cent) and Ministry of Foreign Affairs (4 per cent) to medium levels in local councils (between 21 and 32 per cent) and to very high levels in District Tender Boards (58 per cent) and the traffic police (70 per cent). Despite the obvious weaknesses of corruption perception indicators, this finding reveals that households are exposed to corruption both at the national and local level. How extensive this corruption really is remains an open issue.

The NSDS questioned households about whether they had to make any payment if they had a case or issue that required intervention by local councils in the last two years and what the purpose of this payment was. Slightly more than half of the respondents reportedly made a payment before their case or issue was handled. In the majority of incidents, this money was a regular case fee. In about 15 per cent of incidents, however, the payment was either an outright bribe or a 'token of thanks'. Beside households, service providers were asked about the incidence of misuse of funds at the local level. They stated that misuse was a larger problem at the sub-county level than at village and parish levels, with 5 per cent reporting misuse in villages, 5 per cent in parishes, and 15 per cent in sub-counties, and that higher amounts of money were misappropriated at the sub-county level. When requested about who was implicated in cases of misuse, an interesting finding emerged. The executive committee was involved in 56 per cent of village cases, in 39 per cent of parish cases but in only 7 per cent of sub-county cases. In contrast, the respective accounting officer (chief) was by far the most implicated person at sub-county level (56 per cent). At village and parish level, this officer was implicated in only 12 per cent and 22 per cent of the cases respectively.

There are different reasons for politicians and civil servants to engage in corrupt practices. Low wage levels and arrears in payment provide strong incentives. An interviewee noted that when the decentralisation reform was adopted, many local people regarded the new structures as a way to benefit from public resources and simply imitated the corruption they had previously observed at the central level.⁴⁵ Weak auditing and reporting capacity as well as a lack of reliable accountability mechanisms prepare the ground, as it remains difficult to monitor the use of funds. Another interviewee said, however, that in some cases it is the mere loss of documents that leads to (unjustified) suspicions of corruption.⁴⁶ This again confirms that one must be careful when making statements about the incidence of corruption. In addition, since transfers from the centre to the local level are often made with delay, resources are spent in a hurry because accountability requirements necessitate prompt reporting, and hence money is partly used for

ends other than the intended ones.⁴⁷ And lastly, lack of information among citizens keeps them from demanding accountability from local officials.

About 70 per cent of households stated in the NSDS that they did not know how to report minor extortion as well as minor and major embezzlement by local councils at the village, parish, and sub-county level. This suggests that the majority of corruption cases go unreported; a fact that was also pointed out by Deininger and Okidi (2003). However, about two-thirds of the respondents said they would report extortion or embezzlement if they encountered it. Yet the question remains how would they do this without the necessary information on procedures. Among those who would not make a report, about two-thirds stated fear of retribution as the reason and the remaining one third said that reporting would be ineffective. In fact, the surveyed service providers asserted that this latter concern was indeed of relevance. In more than 50 per cent of the cases of misuse of funds at village and parish level, no action was taken. At the village level, 12 per cent of those accused of corruption were interdicted or suspended, 15 per cent were dismissed and 17 per cent were reprimanded. The corresponding figures at parish level were 13 per cent, 7 per cent, and 26 per cent. At sub-county level, no action was taken in only 23 per cent of the cases, while 33 per cent of suspected wrongdoers were interdicted or suspended, 4 per cent dismissed, and 40 per cent reprimanded or recovered.

Coming back to the issue of information, some people appear to be completely unaware of the responsibility and the source of finance for local projects. As an interviewee told me, when a road is built, it is often unclear to the people whether it is financed by the central government directly, by intergovernmental transfers, by local taxes, or by donor funds.⁴⁸ Such ignorance among citizens creates vast room for patronage politics. Titeca (2005) describes a highly interesting example from Kasese district. Local people do not perceive services or projects as services rendered to the community by an independent agency, be it central government, local government or NGO, but as services brought to the community by political patrons. Both parliamentarians and local councillors create exactly this perception: without their support and lobbying, services would not have been delivered. This in turn builds up their legitimacy and power base. Attaining legitimacy through monetary or project benefits seems to play an important role in general. Councillors lobby hard to receive and channel money to their home sub-counties.⁴⁹

Besides, there are irregularities in local tenders and recruitment of civil servants (MFPED, 2002; Francis and James, 2003), which must be considered to be a mixture of corruption and clientelism. While tenders are supposed to be granted by the District Tender Boards on the basis of a points system taking into account such objective criteria as price, experience and record of tax payments, a letter of

recommendation from a councillor seems to be an equally important prerequisite. Successful tenderers are often friends or relatives of the politicians, or proxy companies operating on their own behalf. Irregularities in recruitment procedures occur, as many local governments appoint staff as 'sons and daughters of the soil' (MoLG, 2004: 5). As Murembe et al. (2005) note, recruitment at the district level is rather a matter of know-who than of know-how. Councillors are said to exert pressure on the District Service Commissions to favour local applicants for administrative positions over candidates from other parts of the country since the first are likely to be more malleable and easily enmeshed in local structures of patronage (Francis and James, 2003).

That increasing people's access to information can be effective for increasing local accountability has best been illustrated by Reinikka and Svensson (2004, 2005). After finding in an initial study that schools received only 22 per cent on average of intended transfers for non-wage expenditures in 1995 and that the bulk of the funds was captured by local officials and used for patronage politics,⁵⁰ the Ugandan government embarked on an information campaign of publishing all intergovernmental transfers in local newspapers and at local notice boards. A follow-up study revealed that by 2001 local capture had been strikingly reduced and schools now received more than 80 per cent of the same grant. But information alone cannot cure the lack of accountability. First, the source of information is important. Azfar et al. (2001) found that citizens obtain most information on local issues from local leaders, which implies that information transfer can easily become subject to manipulation and censure. And second, in addition to information, clear and credible procedures for sanctioning are required.

The lack of detailed sanctioning procedures turns out to be a great challenge in terms of increasing accountability in Uganda. While the legal provisions in the Local Governments Act are very detailed on local governments' functions and on the inspecting, monitoring and coordinating role of the MoLG, they are rather vague on the consequences for improper, unlawful or inefficient behaviour of local councils. The Act determines that if an offence by a local council has been disclosed, this is to be reported to 'the relevant authority for appropriate action'. As an interviewee told me, it takes a long time before the Ministry of Local Government or the line ministries report to the Ministry of Finance, Planning and Economic Development and the Presidential Office and again a long time before these react.⁵¹ In place of the rather imprecise provisions in the law, it should be ensured that local councils lose their autonomy if they violate their mandate, and it is only given back if they undertake certain measures of improvement. He quoted an example of three Chief Accounting Officers who were sued for corruption and ended up with compensation, which to make matters worse had to be paid from the local budget that was already very low.

5. Implications for Poverty Reduction

In the previous section, I identified several constraints on the implementation of decentralisation in Uganda, which give reason for concern about whether the poverty-reducing potential of decentralisation has been realised in this country. First, local governments do not have full competence and autonomy in local decision-making. Although the responsibility for the majority of publicly provided services was transferred downwards, the central government, and especially the line ministries, still exert considerable influence. Not only does the central government set national priorities and determine sectoral guidelines, which have to be adhered to by local governments even if they set their priorities differently, but also most of the financial resources available to local governments are conditional grants from the centre. Local governments are constrained in the flexible allocation of these funds and basically only administer them. Hence, despite the fundamental assumption in the decentralisation debate about the informational advantage of local governments over the central government with regard to local needs and preferences, the centre ultimately decides how much money is transferred and used at the local level and for which purposes. If poverty is reduced as a result of these resources being generally channelled towards poverty priority areas, it is not the decision-making at the local level but central policy-making that is behind it.

Second, it appears that the intended increase in popular participation has only been achieved to a limited extent, particularly as far as non-electoral forms of participation are concerned. Local officials generally do not provide sufficient space for citizens to get involved in decision-making, and citizens often prove to be ignorant about the opportunities offered by decentralisation. It must be seen in the light of Ugandan history that no participatory culture has yet developed. The long phase of radical centralisation from 1966 until 1992, the experience of brutal dictatorship and deprivation over many years, as well as strict hierarchical social and political relations, has resulted in people's apathy towards and cynicism about public affairs. Given these preconditions, it is not surprising that people have not been immediately eager and able to participate in politics to influence the way they are governed. In order to allow for a participatory political culture to evolve, time is a necessary factor.

Third, the level of capacity in the form of human and financial resources is by and large restricted in local governments as well as administrative units. The effective fulfilment of assigned functions is often constrained by inadequate levels of staffing and financial resources but also by insufficiently trained and experienced politicians and civil servants. Local officials frequently do not fully understand the instructions and procedures related to decentralisation, which has

given scope for mistrust between politicians and civil servants as well as between different local government levels. Hence, unrealistic planning and budgeting, political quarrels about roles and functions, and denial of the rules of the game inhibit the smooth functioning of decentralisation. However, given the initial situation of an extremely centralised government system and the fast growth in responsibilities, functions and funds that now have to be handled at the local level, this is not particularly surprising. In contrast, it would have been astonishing if decentralisation were put into practice without any difficulties. Nonetheless, the highly sophisticated reform basically overstretches the implementation capacity on the ground, which makes local governments unlikely to implement the reform properly even if they were motivated to do so.

And fourth, there are indications that the level of local accountability is yet to be improved, especially with respect to the accountability of local councillors towards the population. Due to a lack of information on the roles of councillors as well as relevant accountability mechanisms, many people do not hold councillors responsible for their actions. Low levels of accountability, however, provide scope for patronage, clientelism, and corruption, which is deleterious to responsiveness and efficiency. In fact, irregularities appear to be very prevalent in local tendering and recruitment processes with clear consequences for the delivery of services.

On the basis of these considerations, it seems that decentralisation in Uganda is not performing perfectly in the way it was designed. A restricted level of popular participation, insufficient accountability of local officials to the population, as well as limited competence and capacity in local governments and administrative units, indicate that the reform's potential for poverty reduction is not (yet) fully tapped due to the reasons outlined in the second section of this chapter. Having said that, I would like to make a cautionary statement with regard to how this should be interpreted. As noted before, decentralisation is a complex and medium to long-term reform process, which cannot yield a significant effect on poverty in the short run. Expecting immediate results is unrealistic and conditions can still improve over time. In the case of Uganda, it should be clear that it is not decentralisation in itself that is disappointing or deficient, but the implementation of the same. The picture may thus be very different in five to ten years time.

Notes

- 1 The present chapter is part of the result of a two-year research project funded by the Fritz-Thyssen-Stiftung.
- 2 See <http://www.worldbank.org/publicsector/decentralization> (last accessed 5 February 2007).

- 3 When I refer to any of these interviews below, I do not quote the interviewees by name. I merely indicate their institutional affiliation together with the place and the date of the interview.
- 4 Decentralisation in Uganda has been well documented by many authors. For further information, the interested reader should consult Villadsen and Lubanga (1996), Nsibambi (1998), Obwona et al. (2000), Saito (2003), and Steffensen et al. (2004).
- 5 Elite can refer to different dimensions, such as social elite, political elite or economic elite. Besides, there can be a distinction between the traditional elite (traditional leaders and chiefs) and the modern elite (for example, teachers and entrepreneurs). I purposely do not specify which elite is meant, as this depends strongly on the country context.
- 6 There is a controversial debate about whether corruption is lower or higher under decentralisation than under centralisation. Even though the literature on the relationship between decentralisation and corruption is limited, Fjeldstad (2004) and Martinez-Vazquez et al. (2004) provide helpful reviews. They find that the existing studies, both theoretical and empirical, point in different directions and do not allow for clear-cut conclusions on the impact of decentralisation on corruption.
- 7 On its website, Transparency International differentiates between 'according to rule' corruption and 'against the rule' corruption. Facilitation payments, where a bribe is paid to receive preferential treatment for something that the bribe receiver is required to do by law, constitute the former. The latter, on the other hand, is a bribe paid to obtain services the bribe receiver is prohibited from providing. See http://www.transparency.org/news_room/faq/corruption_faq (last accessed 5 February 2007).
- 8 Bardhan and Mookherjee (2000) acknowledge that elite capture is not principally a problem of local governments but that it afflicts the centre just as much as the local level. They point out that it is impossible to determine *a priori* whether it is worse centrally or locally.
- 9 Most of the literature on the capacity of governments is concerned with capacity building, and again most of it focuses on the central government. One of the few academic publications dealing with local government capacity is Gargan (1981) who understands capacity as the ability of a local government to do what it wants to do. He claims that local governments are no more than as good as they have to be because capacity results from the interplay of community expectations, community resources, and community problems. This definition might have worked for his purpose, which consisted in making the argument that capacity building in the form of imparting management practices is not always adequate; but it is not very helpful here. Particularly in the light of potentially high corruption, letting local governments do what they want to do would neither be a satisfactory definition in theory nor an appropriate policy goal in practice. Other writers on local government capacity do not provide definitions (Honadle 2001; Wallis and Dollery 2002; Matsui 2005). I therefore base my definition of capacity on the literature that concentrates on the central government. Wallis and Dollery (2002) do the same.
- 10 If not indicated otherwise, the information provided in this section stems from Sathya-murthy (1986), Republic of Uganda (1987), and Kisakye (1996).
- 11 The kingdom of Buganda clearly had most power over its own affairs. Since colonial times, it had enjoyed a special standing *vis-à-vis* the rest of the country. Independence brought Buganda a federal status, while the rest of the country was either semi-federal or unitary (Oloka-Onyango 1997; Watt et al. 1999; Kanyeihamba 2002). When Milton Obote abolished all kingdoms in 1966, the Baganda leadership considered his action unlawful, unconstitutional and anti-Buganda. Up to today, the Baganda have repeatedly called for the restoration of a federal government system ('Federo'). Though being subject to debate,

this has so far been opposed by the government and Uganda has remained a unitary country. Yet, in an unexpected move Museveni restored Uganda's monarchies in 1993, albeit without giving them a formal political role. On 31 July of the same year, Prince Ronald Muwenda Mutebi was appointed the thirty-sixth Kabaka.

- 12 Obote's first presidential term was from 1962 to 1971 and the second from 1980 to 1985.
- 13 The number of districts in Uganda has increased over time, as several districts were split into smaller entities. While there were thirty-three districts in 1987, there are eighty districts today. Considering the current total population of about 26 million, this indicates an average district size of 325,000 inhabitants.
- 14 Only the capital of Kampala has a city government.
- 15 Except for the last local election, which took place in 2006, local councillors were voted for on grounds of individual merit, not political party affiliation. It remains unclear whether and how the recent return to multiparty politics will affect the electoral behaviour in future local elections.
- 16 Before the Local Governments Act was passed, local elections took place in the form of indirect elections. The whole village community constituted the council at the village level and elected the members of the village committee. The council at all higher levels was formed by committee members of the next lower level, and committees were elected from among the councillors (Kisakyé 1996). Hence, the district council was then constituted of the county-level committee members under its jurisdiction. This system did not allow for much representation of the electorate. 'The higher one went up the [resistance council] pyramid, the more watered down was the democratic content of the system' (Mamdani 1996: 216).
- 17 Beside locally-collected revenue and intergovernmental grants, local governments are entitled to borrow from national sources. However, most local governments do not make use of this right (Obwona et al. 2000). They may also receive donations from donors, NGOs and civil society-based organisations. But even though donor funds constitute a considerable share of the resources spent at the local level, these are typically channelled to the central government, which then transfers it as intergovernmental grants downwards.
- 18 The fiscal year in Uganda starts on 1 July.
- 19 This holds for all types of locally-collected revenue except for market dues, which are collected by private firms.
- 20 The development budget is the Ugandan term for the budget that entails investment expenditure.
- 21 Data for own local revenue refer to collections at district level and do not include collections by urban authorities due to missing data.
- 22 The monthly average exchange rate at the beginning of this period (i.e. in July 1997) was Ush 1,069 per US\$1, and at the end of the period (i.e. in June 2003) Ush 1,999 per US\$1. The Ush has appreciated thereafter and stood at Ush 1,817 per US\$1 in June 2004. Today (i.e. on January 31, 2007), it stands at Ush 1,791 per US\$1.
- 23 Data on transfers refers to approved budget, not budget release.
- 24 Interview with a former official of the Decentralisation Secretariat, Kampala, 21 May 2004. The same official offered a further interesting explanation: the central government deliberately keeps the unconditional grant as low as possible because of the nature of the allocation formula for this grant. The Seventh Schedule of the Constitution determines that the amount of the unconditional grant for a particular local government should be equal to the amount paid in the previous year adjusted for changes in the price and wage levels and changes in the budgeted cost of running added or subtracted services. In his

- opinion, the central government does not increase this amount to more than is required because it is not possible to reduce the amount of this transfer ever again.
- 25 Interview with a decentralisation advisor to the Ministry of Local Government, Kampala, 12 May 2005.
- 26 For a detailed report on challenges in human resource deployment in the social sectors, see Price Waterhouse Coopers (2003).
- 27 These are the chairperson, the vice chairperson, the speaker, the deputy speaker and secretaries. The remaining councillors receive sitting allowances when there is a council meeting.
- 28 Problems related to low educational levels of councillors are so prevalent that key stakeholders strongly endorse suggestions to introduce minimum qualifications for more councillors than only the district council chairperson (MoLG 2004).
- 29 Interview with an official of the Ministry of Local Government, Kampala, 9 May 2005.
- 30 Interview with a decentralisation advisor to the Tororo district government, Tororo, 5 July 2004.
- 31 Interview with a decentralisation advisor to the Ministry of Local Government, Kampala, 12 May 2004.
- 32 Unfortunately, the survey only covered the village, parish and sub-county levels so that I am not able to present equivalent findings for the district level.
- 33 In another study, Tidemand (1994) observes that in his two sample villages more than three quarters of people know the names of the village council chairperson but only one fifth knows the name of the district council chairperson.
- 34 Interview with a researcher of the Economic Policy Research Centre, Kampala, 12 May 2004.
- 35 These percentages were calculated on the basis of data from various years of the Background to the Budget.
- 36 This is equivalent to the high level of aid inflows being a disincentive to tax collection at the national level. Museveni's statement on 2 May 2005, that he personally wants to oversee operations of the Uganda Revenue Authority in order to stop tax leakages and evasion, confirms this because it followed an announcement of the United Kingdom to withhold £5 million in aid (due to Uganda's failure to make progress in establishing a fair basis for multipartyism).
- 37 Speech of the Chairperson of the Budget Committee of the Parliament of Uganda at the Public Expenditure Review, 10 May 2005, Speke Resort Munyonyo, Kampala.
- 38 Interviews with the Chief Administrative Officer of Nakasongola district, Kampala, 13 May 2004; a researcher of the Centre for Basic Research, Kampala, 17 May 2004; and a decentralisation advisor to the Tororo district government, Tororo, 5 July 2004.
- 39 Interview with a decentralisation advisor to the Tororo district government, Tororo, 5 July 2004.
- 40 Interview with a researcher of the Centre for Basic Research, Kampala, 17 May 2004.
- 41 Interview with the same researcher.
- 42 Talk at Public Expenditure Review with the Chief Administrative Officer of one district, Kampala, May 13, 2004.
- 43 Interview with a researcher of the Centre for Basic Research, Kampala, 17 May 2004.
- 44 Interview with the same researcher.
- 45 Interview with an official of the Ministry of Local Government, Kampala, 2 June 2005.
- 46 Interview with a decentralisation advisor to the Tororo district government, Tororo, 6 July 2004.

- 47 Interview with a representative of the Inspectorate General of Government, Kampala, 31 May 2004.
- 48 Interview with an official of the Local Government Finance Commission, Kampala, 14 May 2004.
- 49 Interview with the Vice Chair of the District Council, Tororo, 5 July 2004.
- 50 The possibility that the transfers were captured at the central level was ruled out by Reinikka and Svensson (2004).
- 51 Interview with a decentralisation advisor to the Ministry of Local Government, Kampala, 12 May 2004.

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3 Decentralisation and Poverty Reduction in Malawi – A Critical Appraisal

Blessings Chinsinga

1. Setting the Context

Democratic decentralisation is seen as the most topical state reform that can open up spaces for wider and deeper participation at the local level. It encourages more people to get involved in the politics that affect them, making government more accountable through citizen oversight and control through elections. Thus, in theory, the devolution of governance to the lowest possible unit paves the way to fully entrench and consolidate democratic values, principles and practices. This in turn improves responsiveness to local needs in the delivery of public services and hence contributes to the attainment of the trinity of good governance, development and poverty reduction. The reforms leading to decentralisation are thus seen as providing a robust structural arrangement through which the grassroots can participate in the fight against poverty at a very close range, since the ultimate objective is to institutionalise their participation in the policy processes. In short, decentralisation heralds a permissive and enabling atmosphere for communities to effectively realize their full potential for dignified and fulfilling lives, as it is not only an institutionalised but also a legally underpinned form of participatory development (cf. Chikulo, 1998; Chinsinga, 2005a; Olowu, 2006).

Democratic decentralisation reforms in Malawi were introduced in the wake of the democratic reforms which saw the ousting of the Malawi Congress Party (MCP), a one party-led regime which governed the country for three decades, and the ascendancy of the United Democratic Front (UDF) at the helm of government. From probably being the most repressive regime in all of southern Africa, Malawi reinstated multiparty democracy in May 1994 following both relentless donor and domestic pressures. This not only marked a disjuncture from the official rhetoric of institutionalised denial of crippling poverty, but also stimulated unequivocally critical policy debates pertaining to poverty for the first time since independence in July 1964 (Anderson, 1994; GoM, 1995). Unlike the MCP re-

gime, which denied the existence of poverty or viewed it from a grossly minimalist perspective, the UDF government quickly acknowledged the widespread existence of poverty, its magnitude and depth. During the MCP era, the question of poverty did not arise at all as long as Malawians had food, clothes on their backs and lived in houses which did not leak when it was raining.

The collapse of the autocratic one party state machinery was sealed with the adoption of a liberal democratic constitution in 1995 which, among other things, guarantees a full range of civil, cultural, social, political and economic rights, democracy, good governance and the rule of law. This constitution further recognises a viable local government system as an integral building block of a functional and potentially vibrant democracy. Appropriate instruments, notably the new Local Government Act 1998 and the 1998 decentralisation policy, were promulgated in a bid to concretise the fundamental ideals embodied in the liberal democratic constitution. The ultimate objective of these legal instruments is to build up local capacity and grassroots institutions and adequately institutionalised arenas of participation. The poverty agenda further gained irreversible momentum because the UDF government identified poverty reduction both as a policy and strategy that would guide all development activities in the short, medium and long-term. In fact, poverty reduction was widely orchestrated as '[the] government's first priority and centrepiece of [its] overall social and economic programme' (NEC, 1998: 3). Several poverty reduction programmes have since been launched and implemented. These have, among many others, included the Poverty Alleviation Programme (PAP) inaugurated in 1994 under which the Malawi Social Action Fund (MASAF) has been the main intervention. This was followed by the Vision 2020 in 1998; the Malawi Poverty Reduction Strategy (MPRS) in 2001; the One Village One Product (OVOP) in 2003; and the Malawi Growth and Development Strategy (MGDS) in 2006. All these poverty reduction initiatives variously champion decentralisation as a two-pronged strategy for poverty reduction and democratic consolidation.

There is little doubt that the reforms ushered in by the UDF government raised high hopes and expectations among the people at all levels of society, especially given that Malawi's socio-economic profile is characterised by marked polarisation between the rich and the poor. The key question, then, is have the democratic decentralisation policy reforms, spanning slightly over a decade now, created an enabling atmosphere for sustainable poverty reduction and grassroots participation in political and policy processes? The track record of the reforms to date is not very encouraging as it increasingly becomes evident that the central government commitment to poverty reduction through decentralisation policy reforms has progressively waned and essentially remained at the level of rhetoric. The reforms have been plagued by inconsistent and *ad hoc* implementation motivated largely

by strategic political considerations. There has been a dramatic shift among stakeholders from genuine concerns with the plight of the poor to promoting, defending and consolidating their own vested interests. The poverty reduction discourse is presently less characterised by benevolence, and increasingly with opportunistic overtones, than when it was introduced slightly over a decade ago.

This chapter therefore argues that the decentralisation policy reforms in Malawi are very unlikely to catalyse sustainable poverty reduction efforts because they are yet to be implemented in such a way that ensures that the underlying objectives of the reforms are realised. There are several reasons that account for the apparent lack of decisive progress in the implementation of the decentralisation policy reforms more than a decade after they were formally introduced. These constraints include the following: 1) lack of commitment by national level politicians to implement decentralisation reforms motivated by sheer strategic political considerations, fearing that doing so would greatly undermine their often precarious hold on power; 2) the legislative framework for decentralisation policy reforms is insufficiently clear regarding the division of labour and functions between the Assembly (political organ) and the Secretariat (executive organ) which has in turn undermined the capacity of these institutions to collaborate efficiently and effectively in carrying out of their respective mandates as key integral parts of the evolving decentralised bodies; 3) the failure to establish and institutionalise sub-district participatory structures to serve as mechanisms for representation, participation and accountability, as in most cases they have existed only on paper; 4) pervasive tension and conflict among key political actors at the local levels, namely councillors, chiefs and Members of Parliament (MPs), eclipsing the prospects of the poor and marginalised sections of the population of transforming the opening up of spaces of participation under the auspices of decentralisation policy reforms into channels of power and influence; 5) the resistance of the decentralised line ministries to operate within the framework of District Assemblies (DAs) as this would, in their view, mean a significant loss of power, status and authority; and finally 6) the mismatch between the range of responsibilities DAs are mandated to provide and their precarious, and in most cases, virtually non-existent independent financial capacity. In short, DAs have up to now not been able to play a key role as a development actor and make a significant contribution to democratisation and poverty reduction because various organs of local government have not had the capacity to carry out their new tasks as envisaged within the framework of the decentralisation policy reforms.

There is therefore a huge risk that the implementation of the democratic decentralisation policy reforms are likely to degenerate into merely an invited space for the grassroots, one that is entirely a prerogative of the state (cf. Cornwall and Gaventa, 2001). This is inevitable since the state is often in control of the reform

processes and would therefore dictate the course, taking into account its own vested political interests. In this case, the nature, form and scope of spaces emerging as a result of the democratic decentralisation reforms can be strategically limited, controlled and even closed altogether, as a critical reading of the Malawian case seem to suggest. The point is that while democratic decentralisation is presented as a legally underpinned form of grassroots participation, this in itself is not a guarantee against the probable closure of democratic spaces of participation.

This chapter is divided into six main sections. The next section sets the context for the rest of the chapter by putting the status of poverty and the decentralisation policy reforms in Malawi into perspective, principally as the basis for assessing the implementation and impact of the decentralisation policy reforms. The third section assesses the country's experience with the decentralisation policy reforms, emphasising how the reforms have fared *vis-à-vis* the poverty reduction efforts. The fourth section analyses how the relationships between key stakeholders in the local government system as well as the weak financial bases impeded the performance of local governments during the period in which they were fully constituted. The fifth section examines the status of service delivery, participation and downward accountability in the DAs within the framework of the decentralisation policy reforms. The sixth section assesses the prospects of decentralisation, local governance and poverty reduction in the country against the backdrop of the experiences to date. The final section offers some concluding remarks and reflections.

2. Decentralisation and Poverty in Perspective

2.1. *Poverty in Malawi: A quick overview*

The notion of poverty is a fairly recent addition to the repertoire of policy vocabulary in Malawi. Until the early 1990s, the existence of poverty was not officially recognised. In fact, any attempt to invoke the notion of poverty in the development discourse was not only considered as a taboo but also as being unpatriotic (cf. Kalembe, 1997; Chinsinga, 2002).

The initial attempt to profile the status of poverty in the country was the 1993 Government of Malawi/United Nations (GoM/UN) situation analysis under the auspices of UNICEF. The incidence of rural and urban poverty was estimated at 60 per cent and 65 per cent respectively. A poverty line was computed at US\$40 per capita per annum. The high levels of poverty were attributed to low agricultural production, low non-farm income, low education, poor health, rapid population growth and weak institutional structures. The most vulnerable categories of people included smallholder farmers with less than one hectare of

land, estate tenants, the urban poor, female headed households, casual labourers and children.

Many studies have been carried out since the pioneering situation analysis in 1993. The studies have varied in scope and focus but their conclusion is the same. Poverty in Malawi is widespread, deep and severe. The 1998 and the 2005 Integrated Household Surveys (IHS), however, stand out as comprehensive studies at the national level that have reassessed the extent of poverty in the country since the publication of GoM/UN situation analysis in 1993. The 1998 IHS estimated the overall incidence of poverty at 65.3 per cent. According to the 2005 IHS, 52 per cent of Malawians eke out their livelihoods below the poverty line. The proportion of the ultra-poor has remained the same at 22 per cent. Put differently, the 2005 IHS suggests that about 6.7 million Malawians live in poverty and as many as 2.7 million cannot afford to meet even the daily recommended food requirements¹ (GoM/World Bank, 2006; Devereux et al., 2006). The Gini coefficient (an inequality index)² is estimated at 0.38, which reflects profound inequities in the access to assets, services and opportunities across the population. The conclusion of a comparative analysis of the 1998 IHS and the 2005 IHS is that there has been little or no progress at reducing poverty and inequality (cf. Devereux et al., 2006; Chinsinga, 2006). The apparent decline in the incidence of poverty in the 2005 IHS from 65.3 per cent in 1998 to 52 per cent is largely attributed to the differences in the methods used in the two surveys by the National Statistical Office (NSO, 2005).

These studies clearly indicate that Malawi remains one of the poorest countries in the world despite undergoing significant economic and political reforms. There is as yet no tangible progress despite the proliferation of poverty reduction programmes since the turn of the 1990s. Malawi is one of the poorest countries in the world whether judged by GNP per capita, the UNDP's Human Development Index or its Human Poverty Index (cf. Jenkins and Tsoka, 2003). The country's track record with regard to the Human Development Index is quite damning. Malawi has dropped from position 138 out of 178 countries in 1990 to position 166 out of 178 countries in 2006. This underlies a steady decline in health care delivery, education, economic growth and general living standards.

2.2. *Decentralisation in Malawi: A quick profile*

The official adoption of the constitution in 1995 providing for decentralisation was not Malawi's first attempt at decentralisation but rather a culmination of a series of efforts which began with colonial administrators as early as the turn of the last century. However, the reform efforts that eventually resulted in the inauguration in November 2000 of the current system of local government, namely

District Assemblies (DAs), can be seen as a continuous stream of transformative action that can be traced to the second half of the 1990s. Malawi became independent in 1964 with a vibrant local government system, but one which changed dramatically following the 1966 cabinet crisis (cf. Baker, 1975; Kaunda, 1992). The statutory powers of the local councils were substantially circumscribed and progressively neutralised by the establishment of District Development Committees (DDCs) to anchor rural development initiatives in 1967.³ Local councils were, however, not abolished and this therefore meant that from 1967 onwards Malawi maintained parallel and unavoidably rival institutions for the delivery of grass-roots development.

The need for reforms to the DDCs which ultimately laid the foundation for DAs was first echoed in the 1987-96 statement of development policies (GoM, 1987). The major criticisms of DDCs were that: 1) they were hardly serious forums; 2) they met irregularly; and 3) they merely produced a series of wish lists for development projects. These could only be implemented if they were in line with the priorities of the central ministries. The drive for renewed momentum in rural development culminated in the District Focus Policy Initiative in 1993, modelled on Kenya's experience. The substantial appeal of the Kenyan experience was aptly captured by Barkan and Chege (1989: 432), who characterised it as 'offering much for those who wish to learn more about the prospects for, and limits to, decentralisation in Africa.' The aim of the District Focus Policy Initiative was to empower districts to plan and implement district-specific projects that would otherwise be under the jurisdiction of the central government; to make districts into focal points for planning and implementing district specific projects, transforming them into major forces and instruments for the design of rural development (GoM 1996). This policy initiative was launched in six districts, designated as Local Impact Areas (LIAs), in order to 'pilot participative, transparent, accountable and cohesive structures for planning, implementing and monitoring activities at district level' (UNCDF, 1994: 8). These districts were Mulanje, Thyolo and Mangochi in the south, Mchinji and Dedza in the centre, and Nkhata Bay in the north.

Much as the District Focus Policy Initiative had in many ways revitalised and reinvigorated the DDCs, it was argued that its major weakness was that it did not entail any measure of devolution. District level activities remained squarely under the superintendence of the central government machinery. Furthermore, institutions established under the auspices of the district focus policy initiative were not anchored by any legal or legislative mandate, and emphasised development much more than governance and representation (Chinsinga, 2005a; Oluwu, 2006). In addition, DDCs controlled no funds and had no authority to enforce decisions except through coercion, since departmental members remained responsible to

their ministries; the behaviour of civil servants at committee meetings (by withholding essential information) alienated most people, who had begun to feel that they were merely being used by the civil servants to legitimise decisions already made by themselves; and they were subject to excessive political direction, to the detriment of their development objectives (Chiweza, 1998; Mbeye, 1998).

These lessons inspired efforts to promulgate a new decentralisation policy framework especially in the wake of the momentous transition to democracy in May 1994. These lessons were further complemented by study tours to countries such as Uganda, Ghana and Germany, and later followed by broad-based consultations with public and private stakeholders, political and traditional leaders and civil society. The outcome was the 1996 draft national decentralisation policy (GoM/UNDP, 1996), effectively adopted in October 1998. This paved the way for the enactment of the Local Government Act in December 1998, which came into effect in March 1999. The distinctive feature of the 1998 decentralisation policy is that it provides for devolution. Building on the constraints of, and lessons learnt from, the previous decentralisation initiatives, the ultimate objective of the policy is to institutionalise real decision-making powers and authority in local jurisdictions with clear geographical boundaries, legal status and personnel of their own, to the extent that a great bulk of their activities will be substantially outside the direct control of the central government. The local government will therefore no longer be a public body exercising delegated powers but rather a deliberative assembly with legislative and executive powers recognised by and embedded in the constitution.

These reform efforts culminated in the inauguration of DAs in November 2000. There are currently forty local governments in the country. The 1998 Local Government Act distinguishes four different types of Assemblies. These are: District Assemblies, one in each of the country's twenty-eight administrative districts; City Assemblies in the cities of Lilongwe, Blantyre and Mzuzu; the Municipal Assembly of Zomba; and Town Assemblies in the townships of Balaka, Dedza, Kasungu, Liwonde, Lucheza, Mangochi and Salima. The focus of this chapter is, however, on the DAs which are the dominant form of local government in the country geared at promoting local governance, development and poverty reduction. The number of the DAs has increased from twenty-four in 1994 to twenty-eight to date. Of the additional four DAs, one has been created in the north and the rest in the south, considered a stronghold of the United Democratic Front (UDF), the ruling party until February 2005.⁴

DAs, broadly defined as decentralised political and administrative authorities with elected representatives of the people, are primarily entrusted with the tasks of democratising state power and advancing participatory democracy and collective decision-making at the grassroots, and have been created by merging local councils and DDCs. The merger was imperative because it resolved an outstand-

ing institutional anomaly that erroneously constrained the potential efficacy of each planning and administrative apparatus. The councils were legally constituted and yet perpetually resource constrained; the DDCs were richly endowed with resources, yet without legal or corporate status (Kaunda, 1992; GoM/UNDP, 1998). The overall mandate of the DAs is to consolidate and promote local government as a source of democratic and autonomous decision-making at the district and local levels. DAs have been constituted under the auspices of decentralisation policy reforms whose objectives include the following:

- ♦ To create a democratic environment and institutions at the local level which will facilitate the participation of the grassroots in decision-making and therefore consolidate the democratisation process;
- ♦ To eliminate duplication of institutions responsible for governance and rural development at district and local levels, with the aim of making the public service more efficient and cost effective;
- ♦ To promote accountability and good governance at local level; and
- ♦ To mobilise the masses for socio-economic development at the local level in order to help government reduce poverty (GoM, 1998).

The mandates of the DAs as prescribed by the 1998 Local Government Act include the following:

- ♦ To make policy and decisions on local governance and development for the local government area;
- ♦ To consolidate and promote local democratic institutions and participation;
- ♦ To promote infrastructural and economic development through the formulation, approval and execution of district development plans;
- ♦ To maintain peace and security in the local government area in conjunction with the Malawi Police Service;
- ♦ To make by-laws for good governance of the local government area;
- ♦ To appoint, develop, promote and discipline its staff;
- ♦ To cooperate with other DAs in order to learn from their experiences and exchange ideas; and
- ♦ To perform other functions including the registration of births and deaths and participate in the delivery of essential local services.

DAs have two organisational structures: political and administrative. The political structure is headed by a chairperson chosen from among councillors during their first meeting, and the administrative structure of DAs is headed by a District Commissioner appointed by the central government through the Local Authority Service Commission of Malawi (LASCOM). The administrative structure is popularly referred to as the Secretariat and the political structure

is known as the Assembly. All senior members of the Secretariat at the level of Director and above are appointed through LASCOM⁵. The Secretariat is thus an organ of execution, while the Assembly is an organ of debate⁶. DAs are thus integrated decentralised authorities combining the strengths of deconcentrated line ministries and departments with the autonomy and revenue powers and functions of devolved democratic local government. All government ministries and departments represented at the district level constitute the Secretariat, at least as projected in the statutes.

The legislative intent is that all line ministries as outlined in the sector devolution plans should be under the supervision of the DAs, but the practice is different on the ground because of the sluggish, *ad hoc* and disjointed nature of the reforms. The line ministries are fiercely resisting getting integrated into the district level structures under the control of District Commissioners for fear of losing their status, authority and prestige. While the District Commissioner has been designated as the controlling officer, almost all line ministries, notably Health, Agriculture and Education, are still reporting directly to, and remain accountable to their parent ministry headquarters. Membership of the Assembly is made up of: 1) one elected member from each ward within the local government area; 2) Traditional Authorities (TAs) and Sub-Traditional Authorities (STAs) from the local government area as non-voting members; 3) Members of Parliament from constituencies that fall within the local government area as non-voting members; and 4) five persons as non-voting members to be appointed by the elected members to cater for the interests of such special interest groups as the Assembly may determine from time to time.

The institutional matrix of the DAs is follows. Below the DAs are Area Development Committees (ADCs) and at the bottom end of the hierarchy are Village Development Committees (VDCs). This institutional matrix is designed as a conduit for grassroots involvement in the political and development policy processes. It serves as a channel for articulation, discussion and consolidation of the aspirations, hopes and demands of the grassroots for appropriate action. The sub-district participatory structures thus function as structured mechanisms of political participation and representation from the local to district levels and even beyond.

The ADCs are representative bodies of all VDCs created at the level of traditional authority (TA). The ADCs are led by traditional chiefs and their membership incorporates one female and one male member elected from each VDC, MPs, ward councillors, chairpersons of political parties, representatives of religious groups, youth and women groups, the business community and frontline staff in health, education, agriculture and community development. The functions of ADCs are: 1) to raise funds and mobilise community resources for projects; and 2) to review and integrate projects from VDCs before submission to DAs.

The VDCs represent a group of villages usually corresponding to the jurisdiction of Group Village Headman (GVH). These are an intermediary between traditional authorities and village headmen and their main role is to facilitate various forms of administrative transactions for the TAs over their respective areas of jurisdiction. The functions of VDCs are: 1) to conduct meetings for identification of community needs and initiation of self-help projects; 2) to mobilise funds and resources; and 3) to coordinate with ADCs. The membership of VDCs include the GVH as chair, with the vice chairperson, secretary, treasurer, vice treasurer and ten members all elected from the villages within the VDC. The office bearers are ordinary community members elected through community meetings overseen by officials from ADCs.

The DAs were formally constituted following the local government elections in November 2000. At the time the councillors were taking their positions, the Local Government Act prescribed a three-year long term of office but this was amended to extend it to five years⁷. The motivation for this amendment was that holding local government elections every three years would be a substantial financial burden on the part of government. It would thus not be fiscally sustainable (cf. Hussein, 2003). By virtue of this amendment, the tenure of councillors elected in the November 2000 local government elections expired in 2005. New elections are yet to be held. The DAs are currently operating without councillors since November 2005.

Elections were scheduled for May 2007. The expenses toward the holding of the elections had been provided for in the 2006/2007 budget largely at the insistence of the opposition block in Parliament, but the preparatory processes for the elections continued to be way behind schedule and indications in the February 2007 sitting of Parliament were that the elections would be postponed. The government tabled a proposal to divert resources meant for elections to alternative uses in the mid-year budget review.⁸ The government's justification was that the elections could not be held because of a number of outstanding issues that needed resolving, as indicated below. Elections are unlikely before 2009.

3. Decentralisation and Poverty Reduction: A Rapid Stocktaking

3.1. *Constituting DAs and the local governance framework*

It is quite difficult to undertake an accurate assessment of the impact of the decentralisation policy reforms on poverty reduction mainly because of the manner in which the reforms have been implemented (cf. Chiweza, 1998 and Chinsinga, 2005a). Much as local government was duly provided for in the 1995 constitution as the bedrock of local governance, the efforts to translate this constitutional

commitment into practice have been largely rhetorical. The reforms have been implemented in a highly inconsistent, *ad hoc* and disjointed fashion. The initial local elections were delayed for six years and it is now three years since the tenure of councillors expired and prospects for local elections in the near future look bleak; it took almost four years to finalise the enabling legislative framework for local government, yet there are still many outstanding issues to be settled; excessive delays in the devolution of functions to DAs as this only began in June 2005, despite the DAs being formally constituted in November 2000; the disbursement of central government grants to DAs to carry out devolved functions has been haphazard; and most line ministries have fiercely resisted letting their staff operate within the framework of DAs.

The local elections were supposed to have been held immediately after the multiparty general elections in May 1994 but were perpetually postponed until November 2000. The delays in institutionalising the DAs were officially attributed to lack of funding. It is, however, difficult to believe that the very same donors who had pressed for democratisation were not forthcoming to ensure the completion of the process.⁹ This meant that six years after the transition to democracy was concluded, a framework had not been established within which to effectively transform local governance with a new focus on improving the standard of living and the quality of life of the disadvantaged sections of the communities. It was therefore not until November 2000 that the DAs could realistically begin to deliver on their developmental mandates and ensure that poor households in their respective jurisdictions have access to social services. Yet even when this happened, it took almost five years for central line ministries to devolve their functions to DAs.

Besides, the notion of poverty is neither defined in the decentralisation policy nor in the Local Government Act. This is a critical oversight because the way in which poverty is defined and perceived frames the poor in such a way as to condition the possibilities for their participation and the nature of attempts to alleviate their condition (cf. Brock, et al., 2001; Craig and Porter, 2003). Both the MPRS and the MGDS have not addressed this particular constraint either. This is the case because both interventions are basically products of technical, money-metric gap-filling approaches to poverty reduction which gloss over issues of power and control; yet it is widely acknowledged that the fight against poverty is about defeating structures that generate it. This is to say that these development frameworks are guided entirely by income measures in their orientations towards poverty, including the proposed strategies to deal with it. The major cause of poverty in the country is the unequal distribution of land, widely appreciated as the major productive asset especially for poor households, yet both the MPRS and the MGDS are silent on how to deal with this issue, save for recognising that it is

a critical factor of production. The point is that the land distribution patterns alone embody various forms of exploitative structural relationships, for example, sharecropping that are key in perpetuating the poverty unless the problem is tackled and addressed accordingly. The exclusive focus on how much income people have to earn in order to eke their livelihoods above the poverty line is not thus adequate.

The DAs functioned on an interim basis until their mandate expired in 2005. They are no longer interim since the District Commissioners were designated as controlling officers toward the end of 2005. DAs were interim because during this time the sector devolution plans, that is, functions of the line ministries to be transferred away from the centre to the DAs, had not yet been worked out. The interim administrative structures were made up of the offices of the District Commissioner, the Director of Administration and the Director of Planning and Development. Their mandate was to oversee the implementation of the decentralisation policy reforms in earnest so as to institutionalise participatory democracy and development anchored by a well coordinated and decentralised planning framework. The understanding was that the administrative structures and positions would remain an interim measure 'until such a time the [DAs] are in a position to design their own administrative structures and the DAs are in a position to take over full responsibility for the appointment of staff' (GoM, 2000: 15-16). The legal framework of course provides for a fairly standard institutional blueprint for DAs, but nonetheless accords them freedom to create additional administrative structures that may best respond to the specific needs and circumstances of each DA.

The key to the DA structures graduating from an interim status was the completion of sector devolution plans. Sector devolution plans are elaborate schemes of the tasks, functions and responsibilities that line ministries retain at the centre and those that are devolved to the DAs, including the guidelines of how the DAs should manage them. Thus sector devolution plans are meant to guide the sharing of responsibilities, power and authority between the centre and the periphery within the framework of decentralisation policy reforms. These would be a vital input in the DAs' efforts to design their own administrative structures that would make them responsive to context-specific circumstances. This would allow them to identify cheaper and more appropriate ways of providing public services, apart from getting a better fit for locally diverse preferences (cf. Bardhan, 1996; Nijenhuis, 2003). The devolution of responsibilities, power and authority to the DAs should have been effectively concluded by June 30, 2002. This deadline was shifted to July 31, 2003 and further postponed to January 1, 2004. The exercise was finally concluded after the expiry of the tenure of DAs in 2005. The sectors and the functions that have been devolved are as stipulated in Table 1 below:

Table 1: Functions Devolved to District Assemblies

Ministry/Department	Functions Devolved
Education, Science and Technology	Nurseries and Kindergartens, Primary Schools and Distance Education Centres
Health and Population	Health Centres, Dispensaries, Maternity Clinics, Health Posts, Control of Communicable Diseases, Health Education and Environmental Sanitation
Transport and Public Works	District, Township and Estate Roads, Street Naming, Issuing of Road Permits, Issuing of Drivers' Licences and Provision of Maintenance of Office Buildings
Lands, Survey and Physical Planning	Land Valuation, Land Surveys, Administration, Lease Agreements, Physical Planning
Agriculture and Irrigation	Livestock Extension, Control of Livestock Diseases, Land Husbandry, Crop Husbandry, Food and Nutrition and Small Dams
Water Development	Boreholes and Wells, Piped Water Projects and Distribution of Water
Gender, Youth and Community Services	Women in Development, Community Development, Street Children and Orphans, Youth Affairs, Cultural Affairs, District Information Services, Probation and Welfare
Natural Resources and Environmental Affairs	Environmental Reclamation and Education, Botanical Gardens, Zoos and Parks, Licencing and Inspection of Fishing Gear, Fisheries Extension, Establishment of Woodlots, Forestry Extension and Forestry Management
Commerce and Industry	Licencing and inspection of Small and Medium Sized Businesses
Finance	District Treasuries
Home Affairs and Internal Security	Community Policing

Source: Guidelines for Sector Devolution Plans (GoM, 2000: 21)

The functions that have been devolved are in principle meant to be exclusive tasks, functions and responsibilities of DAs, but this is not necessarily the case in practice mainly because of the unclear direction of the decentralisation policy reforms in terms of key implementation steps and strategies. The functional review that was carried out to rationalise the structures of the DAs in order to prepare them for the execution of the devolved functions has been approved by Cabinet, but is yet to be implemented because of the substantial financial outlay required to do so. It is, however, expected that the new structures for DAs will become effective from the beginning of the next financial year (i.e. 2008/2009).

The excessive delay in the institutionalisation of the decentralisation policy reforms is attributed to the legislative impasse, since the adoption of the decentralisation policy and the Local Government Act necessitated the review of those laws that are incompatible with the attendant system of local governance. The review of these laws was imperative because the provisions of the decentralisation policy and the Local Government Act that are at variance with the supportive legislative framework cannot be acted upon unless they are harmonised with each other (Mwadiwa et al., 2003; Chinsinga, 2005b). For instance, the decentralisation policy assigns the responsibility to DAs over land falling under their territorial jurisdictions, yet there are several sector institutions and agencies that legally have the same responsibility.

Mandated by the 1970 Town and Country Act, the Ministry of Lands and Physical Planning has jurisdiction over the very same land that the decentralisation policy bestows to DAs. The jurisdiction over this land is further complicated by the 2002 land policy which gives chiefs power over it, especially in terms of settling disputes backed up by the 1967 Land Act which accords exclusive jurisdiction over disputes relating to customary land to traditional authorities. Thus very little has been done to date. A total of twenty-eight Acts were identified in order to harmonize the supportive legislative framework for decentralisation. Of all these Acts, implementable recommendations were proposed for seventeen Acts, but as yet have not been tabled before parliament for ratification.

A critical reading of the situation points to strategic political considerations and calculations, however. Malawi emerged out of the May 1994 general elections as a heavily fragmented polity along regional fault lines. One-partyism persisted but largely on a regional basis. The United Democratic Front (UDF) emerged as the dominant party in the south, the Malawi Congress Party (MCP) in the centre and the Alliance for Democracy (AFORD) in the north. If the local government elections were to be held immediately after the general elections, MCP and AFORD would have most probably secured outright control of DAs in the centre and north respectively. Such an outcome would have meant UDF being in control of only those DAs in the southern region. This would have greatly magnified

the minority status of the UDF as the ruling party and undermined the regime's implementation capacity in the local communities.

When the local government elections were finally held in November 2000, due to donor pressure and the electoral outcome of the second general elections held in June 1999, the UDF emerged triumphant. It made substantial inroads in the centre and secured at least a seat in the north. Out of 848 local government seats, the UDF secured 611 representing 70.7 per cent of the total votes; AFORD got 122 seats representing 14.1 per cent of the votes; MCP managed only seventy-eight seats representing 9.3 per cent and independent candidates were successful in thirty wards representing 3.3 per cent of the votes. Up to as many as 128 UDF candidates were retained unopposed. The average voter turnout for the local government elections was as low as 14 per cent at the national level (cf. Hussein, 2003; Sikwese, 2003).

Nevertheless, UDF's dominance of local government did not positively affect the tempo of the implementation of the decentralisation policy reforms. The reforms almost completely stalled afterwards. The Cabinet Committee on decentralisation simply did not meet to make decisions on key issues vital to the implementation process. Several assessments generally indicate that the politicians, particularly on the governing side, do not welcome decentralisation in its original form but see it rather as a means of improving administrative capacity, and not through allowing large scale devolution of power (cf. Dzimadzi and Chinsinga, 2003). Their main fear is that in its current form, the decentralisation policy reforms would open up avenues for the opposition to get increased access to decision-making power and authority. It is therefore not surprising that opportunities to recentralise have been swiftly seized. For instance, the original version of the Local Government Act empowered DAs to recruit their own staff, but this has been amended to have the appointment of senior staff centrally controlled. Government also proposed that the President should be mandated to appoint chairpersons of DAs, but this was dropped because of strong resistance from opposition parties and civil society. In fact, the Cabinet Committee on Decentralisation quickly convened whenever initiatives geared at recentralisation were tabled for ratification (cf. Mwadiwa et al., 2003).

The implementation of the decentralisation policy reforms has not proceeded as intended so as to deliver on the pro-poor intentions that were championed at the launch of the reforms. The main challenge as demonstrated above is that there have been numerous obstacles that have negatively affected the pace of the reforms. For instance, local elections were delayed; sector devolution plans remained unfinalised for almost the entire tenure of DAs; and there are several outstanding legislative issues yet to be sorted out. These obstacles have thus generally inhibited DAs to fully assume their constitutional mandate as a grassroots

development agency. This makes it very difficult to meaningfully assess the impact of DAs on poverty reduction during the 2000-2005 period.

4. Local Government in Action 2000-2005

The functioning of DAs was greatly affected by two main factors. First, the key stakeholders within the DAs were engaged in serious power struggles in a bid to assert themselves as dominant forces in emerging administrative and governance frameworks. The reforms had fallen prey to elite capture. The motivation of the stakeholders was to appropriate most of the power and steer the benefits to themselves or at least maintain the existing distribution patterns. Second, the DAs operated without adequate and reliable funds. They were characterised by very weak and fragile financial bases to enable them to address the development backlogs and promote secure rural livelihoods (cf. Chiweza, 2005; Olowu, 2006). The combined effect of these constraints is that the DAs have not effectively functioned as spaces meant to amplify the voices of the marginalised and disadvantaged sections of the population through enhanced political participation and improved delivery of social services, as this section discusses.

4.1. *Power struggles among DA stakeholders*

The power struggles among the key stakeholders have taken several dimensions, but the following have been particularly important. Ward councillors have been up against MPs; councillors have crossed swords with chiefs; and the relationship between the Secretariats and Assemblies have been hardly harmonious.

WARD COUNCILLORS VERSUS MPS

The main cause of the conflictual relationship between the MPs and councillors is that the former perceive councillors as a threat to their candidacy in the subsequent general elections. Chiweza (2005) describes the relationship between the MPs and councillors as very tense with the potential of suffocating the institutional framework that was taking shape for the decentralisation policy reforms altogether.

MPs have not been supportive of the efforts to institutionalise the decentralised planning framework at the grassroots. They often frustrated and dominated the deliberations of the DAs even though they are members simply in an *ex-officio* capacity. In doing this, the MPs wanted 'to engage councillors in a boss-servant relationship so as to dictate rather than discuss issues' (Chinsinga, 2005a: 235). This was meant to undercut their potential to mobilize and build a power base

with which to challenge them. It is for this reason that the MPs never granted the request of councillors for a modest monthly salary of MK3000 (about US\$25). The position of councillor does not attract any form of remuneration except for sitting allowances. The councillors' request for a salary could only be granted through a bill deliberated and ratified by parliament. Thus MPs do not fully support the decentralisation policy reform efforts for strategic political considerations and gains.

COUNCILLORS VERSUS CHIEFS

The problematic relationship between councillors and chiefs arises mainly because the chiefs want to constitute primary structures of local government in rural areas. They are strongly opposed to the introduction of alternative structures of leadership that appear to challenge the hegemony of their power, prestige, influence and authority (cf. Chiweza, 2005; Chinsinga, 2006). Two major sources of conflict between chiefs and councillors include the imperatives of tradition and the DA legislative framework.

Traditionally, chiefs are vested with the guardianship of the land under their respective areas of jurisdiction. For this reason, chiefs contend that all people – whether councillors, MPs or even the president – are their subjects, in which case they have to provide the primary institutions of leadership at local level. By invoking tradition, chiefs have greatly undermined the capacity of councillors to carry out their developmental mandates because they cannot do anything without first being sanctioned by the chiefs. For instance, a councillor in Thyolo DA recalled having mobilised his constituents for a borehole project. They formed a committee, identified a site and made all requisite preparations for the launch of the project. But when the contractor finally came, the village head directed him to drill the borehole in front of his house. The village head formed his own committee replacing the one that had been facilitated by the councillor. His argument was that he saw no need for councillors since he has been able to govern his subjects without them for a long period of time and nobody has the right to make decisions over his land (Chinsinga, 2006).

The legislative framework for DAs fans the embers of conflict between councillors and chiefs because the latter are non-voting officials. This makes chiefs feel that councillors have stripped them of their once expansive domain of power, influence and authority (cf. Chinsinga and Dzimadzi, 2001). They regard the reconstitution of the position of councillor following the November 2000 local elections as an unnecessary intrusion into village politics that has thrown stable local power hierarchies into a state of disequilibrium. In contrast, councillors challenge chiefs as illegitimate leaders, arguing that they would have been given voting powers on DAs if they were genuine and credible leaders.

The struggle between chiefs and councillors is intensified by widespread self-seeking tendencies among national level politicians. Given the fragmented nature of the polity resulting from the May 1994 democratic polls, politicians across the political divide have strategically turned to chiefs in order to entrench and consolidate their legitimacy. Strategies by the ruling parties have included: 1) reinstating chiefs that were deposed during the one party era; 2) appointment of new chiefs; 3) promoting chiefs to higher ranks; 4) building houses and offices for chiefs; 5) and putting all chiefs on the government's payroll. In stark contrast, councillors are not entitled to these privileges, greatly diminishing their importance in the eyes of the public, further solidified by the apparent lack of any positive impact on the part of DAs to deliver on their poverty reduction and development mandates.

SECRETARIATS VERSUS ASSEMBLIES

The nature of the relationship between Secretariats (bureaucrats) and Assemblies (elected representatives) is very critical to the potential success of decentralisation policy reforms both in terms of governance and development. The quality of outputs from local government would be improved substantially if the bureaucrats were genuinely accountable to the elected representatives as it would mean 'inputs being transmitted from participating citizens through elected councillors to bureaucrats executing policy' (Crook and Manor, 1998: 43).

The relationship between bureaucrats and councillors has not been satisfactory, however. The relationship between bureaucrats and councillors has essentially been characterised by suspicion and distrust. The main reason for this was that in most DAs bureaucrats and councillors never met to thrash out common strategic visions before the mandate of DAs expired in 2005. In a study by Dzimidzi and Chinsinga (2003), councillors across the country observed they were not fully familiar with members of the Secretariat, as illustrated by one of the councillors interviewed in Mulanje DA. He observed that 'I know only three people in [the Secretariat], Mr. Namoyo, the DC and Mr. Mazengera. I know Mr. Mazengera because he is the one who gives us allowances.' It is therefore doubtful that they had any clear idea of what their roles were and how they are supposed to work and cooperate with each other within the framework of decentralisation policy reforms.

The main sources of conflict between Secretariats and Assemblies included: 1) lack of remuneration for the position of councillor; 2) Secretariats monopolising control of DA activities despite Assemblies being policy-making bodies; 3) poor communication with councillors; and 4) regionalism, tribalism and nepotism¹⁰ (Chiweza, 2005; Chinsinga, 2005b). The frustrations of councillors resulting from the efforts of bureaucrats to marginalise them in the activities

of DAs fomented these tendencies of regionalism, tribalism and nepotism. This was strongly expressed through the activities of the Appointment and Disciplinary Committees (ADCs), responsible for the recruitment of junior staff in the DAs. A 'sons of the soil syndrome' marred the ADCs as councillors favoured local candidates, mostly their relations and friends, over those from other parts of the country. The argument of the councillors was that these problems would have been less acute if the DAs were run and managed by people who came from within their respective jurisdictions. This needs, however, to be situated in the context of the broader political realities obtaining in the country. The country emerged out of the May 1994 elections a heavily fragmented polity along regional fault lines, whose dynamics are affecting the implementation of decentralisation policy reforms as described above. Parties have regional strongholds in which they would like to dictate and set the agenda in the political, economic, social and even cultural spheres.

4.2. *Weak financial bases*

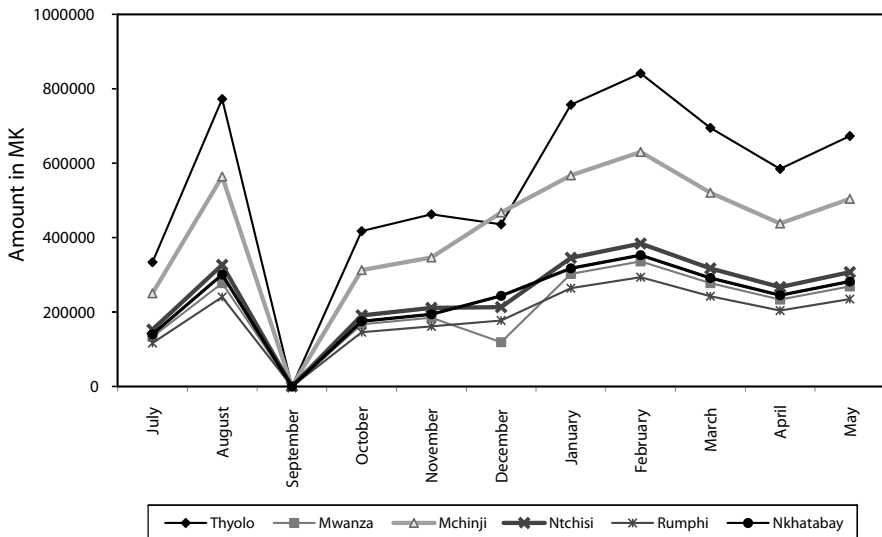
The decentralisation policy mandates the government to allocate 5 per cent of its annual net revenue to DAs to enable them fulfil their obligations toward bringing about sustainable livelihoods and poverty reduction. Within the 2000-2005 period, government failed by far to remit 5 per cent of its net annual revenue to DAs. It is estimated that the government only managed to provide about 2 per cent of the total net revenue that it is mandated to disburse to DAs, though the trends are reportedly improving since the 2005/2006 fiscal year. For the last two years, the central government grants to DAs have risen to about 3 per cent of the total expected income (GoM, 2005a). The financial situation of DAs is further worsened by the laxity in the enforcement of the legal framework. The third schedule of the Local Government Act empowers DAs to collect and use a series of locally generated revenues such as property rates, ground rent fees and licenses, commercial undertakings and service charges (Mwadiwa, et al., 2003). Yet most ministries are still holding on to the collection of locally-generated revenues. The Ministry of Commerce and Industry is a widely cited example, on record as having instructed DAs not to collect licence fees from small business, though it does not provide any services to the entrepreneurs. Therefore ministries are still collecting these revenues themselves through their establishments at the district level, with funds thereby raised not finding their way into the District Development Fund.

The major source for DAs is the central government's monthly grants. The 2000 Shroeder report estimated that DA fiscal shortfalls before transfers from the central government stood at 80-100 per cent of the cost of providing the de-

involved services. These grants are clearly inadequate, irregular and unpredictable. The experiences of Ntchisi and Thyolo DAs are illustrative in this regard. Both DAs experienced substantial cuts in the monthly grants in the 2002/2003 fiscal year and raised queries with the central government. Ntchisi DA was told that the DA was paying for the costs incurred when its chairperson was part of a delegation that went to Uganda on an official visit, whereas Thyolo was apparently repaying a loan that a former Deputy Minister of Finance from the district took out on its behalf to finance the construction of one of the markets in his constituency (Chinsinga, 2005b). The most critical point, however, is that there is often lack of information provided to the DAs about the reasons for delays in releasing funds and little indication of when funds are likely to become available. The monthly government’s disbursement for the 2002/2003 fiscal year in some selected districts attests to the irregular and unpredictable resource flow patterns to the DAs as presented in Figure 1 below.

This figure shows that none of the DAs received the monthly grants from central government on a predictable basis, making it extremely difficult for the DAs to meaningfully plan their activities. Even though Thyolo and Mchinji enjoyed consistently higher monthly disbursements in the 2002/03 fiscal year, they like the rest of the DAs experienced enormous fluctuations in the amounts received

Figure 1: Monthly Grants to DAs for the 2002/03 Fiscal Year



Source: Chinsinga (2005b: 163)

on a monthly basis. The month of September was the worst-case scenario as the DAs received no transfers at all from central government. This therefore meant that DAs did not have resources even for the day-to-day operational activities since most of them lack capacity to generate significant amounts of their own income. The weak DA financial bases have had three key consequences: 1) DAs cannot implement development projects unless they have alternative sources of funding either from NGOs or donors; 2) they are unable to convene at least quarterly as stipulated in the statutes; and 3) they are often unable to pay out salaries, especially for employees they recruit on their own.

5. Social Service Delivery, Participation and Downward Accountability

The implementation of decentralisation policy reforms has had little discernible impact on service delivery. The failure of the DAs to positively impact on the livelihoods of the people across the country is underlined by the progressive worsening of the poverty conditions marked by Malawi's dramatic slump in the HDI ladder since the inauguration of the Human Development Report in 1990. Similarly, comparative analysis of the 1998 IHS and the 2005 IHS points to a complete lack of progress in the fight against poverty. The decentralisation policy stipulates that DAs should allocate at least 25 per cent of their monthly grants to development projects and social service delivery interventions through the District Development Funds (DDF). This was not possible at all because the monthly grants from the central government had been consistently inadequate, irregular and unpredictable as demonstrated in Figure 1 above. The grants are in most cases not even adequate to suffice for the day-to-day operational activities of the Secretariats (Chiweza, 2005; Chinsinga, 2005b). Nevertheless, various forms of development projects are taking place in districts, but they are not financed by resources channelled to DAs as stipulated in the decentralisation policy. The majority of these projects have been financed by the Malawi Social Action Fund (MASAF), a World Bank funded initiative designed largely to cushion the adverse effects of structural adjustment programmes (SAPs) through rapid financing of programmes targeted at the poor. The other players have been the European Union's (EU) micro projects programme and various local and international NGOs, often working without a direct relationship with the DAs. Direct DA funding for projects is impossible because of the failure of government to fully remit 5 per cent of its annual net income to DAs, as stipulated in the decentralisation policy, and the near absence of capacity of DAs to generate income of their own.

It is a huge paradox that DAs have been unable to register any positive impact on social service delivery in their respective areas of jurisdiction. Since the advent of democratisation over a decade ago, several poverty reduction initiatives have been implemented, all consistently championing decentralisation as the overriding implementation strategy. Thus the development of these grand poverty reduction initiatives should have been guided by and benefited from local level input, for instance, the District Development Plans (DDPs). The reality, however, is that none of these initiatives have seriously taken into account local level input, despite up to 85 per cent of the people in Malawi living in rural areas (cf. Jenkins and Tsoka, 2003).

The contradiction is that while such poverty reduction initiatives purport to bring poverty reduction closer to local priorities and circumstances, they are fundamentally macro in their orientation and inception (cf. Ellis et al., 2002). Thus, without getting down to hear the voices of the people from below, the intricate factors that would be particularly helpful in addressing the real barriers that rural citizens confront in their efforts to construct pathways out of poverty cannot be fully discerned. Besides, resources meant for the implementation of these initiatives were widely abused for private political gains by the then ruling party, the United Democratic Front (UDF), with most initiatives launched either immediately before or after general elections. The poverty reduction interventions were therefore largely used by the UDF as instruments for consolidating a rural patronage machine rather than as instruments for genuine poverty reduction (cf. Chinsinga, 2002, 2005b). The disbursement of the resources from these initiatives was not so much based on sound and viable bureaucratic principles as on the vagaries of political expedience.

The decentralisation policy reforms have not helped to promote meaningful political participation at the local levels either. The vertical framework of participatory structures constituting the District Assembly (DA), the Area Development Committee (ADC) and the Village Development Committee (VDC) was intended to give opportunities to the grassroots to articulate and define their problems and to take part in the decisions to find sustainable ways to meet their needs and improve the quality of their livelihoods. The participatory structures were meant to create room for different opinions where previously there were limited opportunities for public involvement, enabling people to occupy spaces that were previously denied to them.

The major constraint has been that these participatory structures have been dormant in most areas since they were constituted. In most areas the participatory structures exist only on paper as they have virtually collapsed. The main reason for this is that they were constituted without being trained and briefed on their roles (terms of reference) which is attributed to the perennial financial problems facing

DAs. Only in a few cases have the VDCs and ADCs been trained, for instance if it were imminent that they would be involved in the implementation of development projects, but without any form of follow-up support (cf. Chinsinga and Dzimadzi, 2003). Thus the sub-district participatory structures are hardly functioning.

The collapse of these structures has further been cemented by the tendencies of NGOs and other development partners to create parallel structures to ADCs and VDCs, often well-resourced and therefore very attractive to the grassroots, but without any linkages to the decentralised planning framework. Many people have little awareness about these structures and they have rarely functioned as vehicles for sensitising, educating and informing the grassroots about the decentralisation policy reforms. The widespread lack of knowledge about the participatory structures was, for instance, exposed in Chinsinga and Dzimadzi (2001) and Chinsinga (2005b). In the focus group discussions (FGDs), the responses of the grassroots were quite revealing about the status of their knowledge of the participatory structures:

- ♦ *'Assembly imene timayidziwa ife ndiyakusukulu,'* which means 'The Assembly that we know takes place in schools' (Chinsinga and Dzimadzi, 2001).
- ♦ *'Kodi Assembly mukunenayi ndiyokhutsadzana nditchalitchi kapena chipem-bedzo?,'* which means 'Does the Assembly you are talking about have something to do with the church or religion?' (Chinsinga, 2005b).
- ♦ *'Tikapita kuboma timangoona a talemba kuti District Assembly koma kuti tidziwe amapanga chani ayi,'* which means 'Whenever we visit the district headquarters we see the label – District Assembly – but we have no idea of what they do' (Chinsinga, 2005b).
- ♦ *'Ife Assembly sitikuidziwa koma nanga tikuchita dala,'* which means 'We do not know what the Assembly is, but it is as if we are deliberately feigning ignorance' (Chinsinga and Dzimadzi, 2001).

There is very limited knowledge about ADCs and VDCs even though these are supposed to be very close to the people (cf. Hussein, 2003; Chiweza, 2005). The widespread lack of awareness at the grassroots about the participatory structures is further attributed to the great difficulties in meaningfully translating key technical terms about decentralisation into local languages. These terms either do not have direct equivalence in the local languages, or, in desperate attempts to render them accessible to the grassroots, they have been translated in a manner that greatly distorts their meanings.

People at the local level are widely aware of the reinstatement of the position of councillor, but beyond this they are unable to understand how this position fits into the overall picture of the current political and administrative reforms.

Moreover, most of the councillors were either dormant or resigned along the way. It is estimated that up to 300 out of 848 councillors resigned before the expiry of their term of office. They rarely held meetings with their constituents to sensitise, educate and inform them about the decentralisation policy reforms. Most of them were disappointed with the terms and conditions for the position of councillor. Prior to the local elections, it was indicated that the position of councillor would attract a decent salary, state of the art motorbikes, educational advances and a range of allowances. This turned out to be false and therefore a source of frustration especially for those councillors who had given up fairly decent jobs in anticipation of a better life. The legislative requirement is that whoever aspires for a public office has first to resign if they are working in the public sector. The expectation of most aspirants, especially those who had given up jobs for councillorship, was that they could make a livelihood out of being a councillor, as is the case with Members of Parliament.

With such limited engagement by the grassroots with the participatory structures, the reforms have not fostered any form of downward accountability. On the contrary, a conducive atmosphere for elite capture has been created. In addition, it is argued that it is very difficult to achieve downward accountability in Malawi because the majority of the people at the local level do not pay any tax. Payment of tax is considered vital because it engages local people with the state, giving them a basis on which to legitimately expect the provision of social services (cf. Kutengule, 2000; Ellis et al., 2002). This would, however, be disastrous because DAs would be forced to raise revenue from an impoverished local population. Multiple commodity and enterprise taxes levied at village level suppress cash generation at the very point where it can make the most difference to the livelihoods of the poor.

6. Prospects for Decentralisation, Local Governance and Poverty Reduction

Decentralisation remains a highly uncertain agenda in Malawi to register strategic impact on local governance and poverty reduction because of the apparent lack of political commitment. The major development since the expiry of the tenure of DAs in 2005 has been the presidential declaration that District Commissioners are now controlling officers for sectors whose functions have been devolved. This meant that the District Commissioners would be held accountable and responsible for the use of public funds through the Public Accounts Committee of Parliament. It was argued that 'this policy shift [would] transfer more public resources closer to Malawians than in the previous system under which government ministries and departments spend public funds largely at the national level' (GoM, 2005b: 12).

There has not been any meaningful progress toward holding local government elections to have the DAs reconstituted. The elections were scheduled for May 2005 but were postponed almost indefinitely, justified on the basis of the devastating hunger that affected the country during the 2005/06 fiscal year.¹¹ However, the main reason for the government's stance is the current political texture of the country. President Mutharika resigned from the UDF that sponsored him into power in February 2005. He proceeded to form his own party, namely the Democratic Progressive Party (DPP), which until very recently did not have any significant parliamentary representation in Parliament. When stakeholders pressured the government to hold local elections, the indication was that they would be held in 2009.¹² In fact, the Minister of Local Government pointed out that government was not in a hurry to hold local elections because councillors are not important.¹³ He argued that the government was making significant strides in rural development working closely with chiefs and MPs. Several District Commissioners strongly support the Minister's position. However, the real motivation for postponing local elections is that the government is fearful of not doing well. Compared to the other established parties, the DPP does not have vibrant grassroots structures across the country. The failure to gain control of DAs would thus dramatically magnify the government's minority status both at the national and local levels.

Pressure from donors, civil society and opposition parties has been mounting for the government to hold local elections (cf. Chiweza 2005; Chinsinga, 2006). The opposition block in Parliament effectively lobbied for the holding of the local government elections within the 2006/07 fiscal year. They pushed for a budgetary provision for the local government elections as a condition for adopting the 2006/07 budget. Parliament endorsed that the local government elections should be held by the end of the 2006/07 fiscal year. However, the preparations for the elections were subverted in a number of other ways. The Malawi Electoral Commission (MEC) could not start the preparations for the polls in earnest because the quorum for it to make binding decisions could not be met. The contracts of five of the eight commissioners had expired. The President took some time to appoint the commissioners, and when the new appointees were finally selected, opposition parties objected to their appropriateness.¹⁴ The opposition argued that not only did the President not consult them as prescribed by law but also that the appointed individuals are well known sympathizers of the DPP.¹⁵ The parties sought a High Court injunction restraining the new commissioners from assuming office pending judicial review, and subsequently the High Court nullified the president's appointment of the MEC commissioners as it was in accordance with the law.

Following the court's ruling, the president has appointed a new team of commissioners, yet still including the six whose appointment was nullified by the

High Court. Opposition parties have once again obtained an injunction arguing that the president did not follow the right consultation procedure in the selection of the new commissioners.¹⁶ This meant that very little was done to prepare for the local elections scheduled for May 2007, causing their postponement. This bears semblance to the fate of the first local elections which were supposed to have been held immediately after May 1994 but were perpetually postponed until November 2000. The motivation of the governments in both cases borders on strategic political considerations, given the concerns that the ruling party, in the current case the DDP, will fail to gain clear control of DAs across the country.

The delays in constituting the MEC will have serious knock-on effects on the calendar of events leading to the holding of the elections. A fundamental requirement to facilitate the holding of local elections is an amendment to the Local Government Act concerning the timing of elections. At present, the Local Government Act states that local government elections must be held in the third week of May in the year following that of general elections to the National Assembly. The MEC can only seriously start considering preparations after a legislative amendment has been duly constituted that allows greater flexibility. Yet a bill to amend the Local Government Act has not featured at all during the recent sittings of parliament, and consequently local government elections were not held as scheduled in 2007.¹⁷ In the absence of DAs, local governments have reverted to the District Development Committee (DDC) system, now described as Consultative Committees, in which chiefs play a dominant role in decision-making processes as representatives of the people.¹⁸ The shortfalls of DDCs as mechanisms of fostering local governance and development have already been highlighted. They act as serious obstacles to the development of effective democratic local governance institutions (cf. Mbeye, 1998; Chiweza, 1998; Olowu, 2006).

The delays in reconstituting DAs are creating a propitious environment for the continued rivalry between councillors and chiefs. The chiefs shall once again emerge *de facto* as the most influential actors in village or local level politics, as happened between 1994 and 2000. There is little doubt that the chiefs exploited the virtual impasse in the constitution of DAs to reclaim, reassert and consolidate their strategic role in grassroots politics. Likewise, the rivalry between MPs and councillors is bound to remain acrimonious. During the 2006/07 budget session, MPs endorsed the establishment of Constituency Development Funds (CDFs) to the tune of MK 1 million per constituency. Administered by District Commissioners at the DA level, MPs are key players in the disbursement of CDFs in terms of facilitating the identification of development projects to benefit from the fund. This is likely to make councillors redundant as all development projects will become the preserve of MPs. This would greatly marginalise DAs as vehicles for grassroots participation, empowerment and mobilisation.

7. Concluding Remarks

Malawi's decentralisation policy efforts can be described as deconcentration with nominal democratic decentralisation. In fact, it is fair to say that it is extremely difficult to make a meaningful assessment of the impact of decentralisation policy reforms on local governance and poverty reduction because decentralisation is yet to be fully implemented. The reforms have been implemented in an inconsistent, *ad hoc* and disjointed fashion and have not achieved the desired strategic impact in terms of deepening participatory democracy and local governance, enhanced accountability and transparency, and improved delivery of social services and poverty reduction. While the reforms have in theory provided a constitutional space within which the poor can organize, compete and otherwise assert themselves, the implementation process has been encumbered by strategic political interests and calculations, resulting in the political collapse of the DAs, given that they are operating without the organ of deliberation since 2005. One main reason for such occurrences is because the reforms have been to a very great extent donor-driven. Throughout more than a decade of the reforms, decisive steps are only taken in the wake of mounting donor pressure, underlined by threats of aid withdrawal. Donors view decentralisation principally as a means of downsizing central governments and promoting good governance (cf. Chikulo, 1998; Blair, 2000; Bierschenk, 2003).

Malawi's experience demonstrates one key problem with the design of donor-driven decentralisation policy reforms. They are more often designed on the basis of donors' ideological arguments than on the analysis of empirical reality of what exists on the ground. Consequently donors often prevail in pushing for decentralisation policy reforms, but it is largely the prerogative of the national and local politicians of the reforming countries to decide how exactly to put them into practice. They often have a clear picture of what interests they are prepared to sacrifice or not on the basis of their privileged knowledge of domestic political realities. For instance, the root cause of the enduring struggle between councillors and chiefs is the lack of clarity regarding the precise roles, functions and powers of the various stakeholders in the decentralisation process. It appears, however, that precisely carving out the role of traditional leaders within the framework of rural governance and development is a politically sensitive issue. The government's relationship with traditional leaders is perhaps deliberately marked by ambiguity with the intention of preserving its discretion in the determination of the status of chiefs for strategic political goals.

The decentralisation policy reforms in Malawi are bogged down in power politics, which have made it difficult for the reforms to deliver tangibly on governance and development as prescribed in the decentralisation policy and Local Govern-

ment Act. Power politics, broadly understood, prevails both at the bureaucratic and political levels. Line ministries are reluctant to devolve the designated functions to the DAs, let alone become integrated into a single government structure at the district and lower levels. The intensity of bureaucratic resistance both at national and local levels has greatly slowed down the progress of devolving powers and functions to DAs, as well as restricting capacity development interventions to prepare DAs to fully take on their new mandates. The lack of central government political will to decentralise has constrained the process even further. There is no doubt that bureaucratic resistance against decentralisation has solidified since the onset of the decentralisation policy reforms over ten years ago now, taking advantage of this lack of political will.

As demonstrated in this chapter, both the UDF and the DDP governments have been very reluctant to constitute democratically elected local governments, employing various delaying tactics. The analysis clearly shows that both governments have had to weigh their own strategic political, economic and social interests against the possibility of holding local elections which they could lose. DDP is a newly formed party, has never experienced any serious electoral test, and, compared to other parties, is not yet fully established at the local levels. The fear of the parties in government is that failure to do well in the local elections would magnify their minority status and may portend bad omens for subsequent general elections. The political stakes are very high and the strategy on their part is to delay the elections as long as they can feasibly can in order to adequately prepare for them and with one aim only: to win them at whatever cost.

The decentralisation policy reforms have as yet had no discernible impact on poverty reduction. The country's poverty indices have in fact somewhat deteriorated during the last decade. This was perhaps inevitable because the DAs have not been able to fully assume their developmental mandates because of the excessive delays in putting in place various aspects of the decentralisation policy reforms. The DA structures were for a very long period of time constituted on an interim basis; the development of sector devolution plans was excessively delayed among other things due to bureaucratic resistance; activities of DAs were constrained by the struggle for power, influence and authority among the key stakeholders; and funding for DAs has been and continues to be irregular, precarious and unpredictable even though there are signs that it is improving since 2005.

The recent improvement in resource flows to the DAs is, however, very unlikely to have any significant effect on poverty reduction and development activities as long as the political organ of the DAs remains unconstituted. The point is that the Secretariats are incurring massive expenditures without any system of checks and balances in place. There is absolutely no oversight over their expenditure portfolios in which case poverty reduction and development-orientated pro-

grammes may not be priorities at all. Decentralisation has the potential to lead to political participation and poverty reduction, but such outcomes depend very much on how it is implemented. The Malawi case, *inter alia*, demonstrates that there is a very huge risk that the implementation of decentralisation reforms may simply degenerate into an invited space for the grassroots, one that is almost entirely the prerogative of the state. This means that decentralisation is unlikely to serve as a crucial element in invigorating state institutional capability, either as a foundation for an effective public sector or as a means of bringing the state closer to the people.

List of Abbreviations

MCP	Malawi Congress Party
UDF	United Democratic Front
PAP	Poverty Alleviation Programme
MASAF	Malawi Social Action Fund
MPRS	Malawi Poverty Reduction Strategy
OVOP	One Village One Product
MGDS	Malawi Growth and Development Strategy
MPs	Members of Parliament
DAs	District Assemblies
UN	United Nations
UNICEF	United Nations International Children's Education Fund
IHS	Integrated Household Fund
NSO	National Statistical Office
GNP	Gross National Product
UNDP	United Nations Development Programme
DDC	District Development Committee
LIA	Local Impact Area
UNCDF	United Nations Capital Development Fund
LASCOM	Local Authority Service Commission of Malawi
ADC	Area Development Committee
VDC	Village Development Committee
TA	Traditional Authority
GVH	Group Village Headman
DDF	District Development Fund
EU	European Union
DDP	District Development Plan

Notes

- 1 The definition of poverty used by the IHS is the income poverty or, put differently, the head count approach. This is to say that people who do not earn the specified income (poverty line) are considered poor whereas the ultra-poor in this case refers to the subset of the poor people who live in dire poverty to the extent that they can not even meet the daily recommended food requirements by Malawian standards.
- 2 Gini coefficient, alternatively inequality index, measures the magnitude of unequal income distribution between the richest and poorest quartiles in society. The higher the Gini coefficient, the higher the magnitude of inequality in a society. Malawi's Gini coefficient at 0.38 is extremely high. According to GoM/World Bank (2006), the richest 10 per cent of the population has a median per capita income that is eight times higher than the median per capita income of the poorest 10 per cent.
- 3 The DDCs were established in twenty-four districts on the basis of the administrative apparatus inherited from the British colonialists at the time of independence. They were controlled by central government through the office of the District Commissioner who was the direct representative of the Office of the President and Cabinet (OPC) at the district level. The number of districts has been increased to twenty-eight since the advent of the multiparty dispensation in May 1994.
- 4 The districts vary widely both in terms of physical size as well as population. According to the 1998 Population and Housing Census, Likoma is the smallest district in terms of size with only 8,074 people. The biggest is Lilongwe with as many as 1,346,380 people. Likoma is also the smallest in terms of size at only 18 square kilometres. With 610,994 people, Mzimba is the biggest district measuring 10,430 square kilometres.
- 5 The initial design of the Local Government Act was that the DAs would be entirely responsible for hiring, disciplining and firing their own staff at all levels. This provision has, however, since been amended. The DAs are responsible for hiring, disciplining and firing only support staff. The amendment was justified as a means of retaining the national character of public administration as localised processes of recruitment would promote nepotism, clientelism and regionalism.
- 6 The Assembly is formally entrusted with policy-making responsibility. This is to say that councillors are empowered to set the agenda for their respective DAs, of course taking into account advice from the Secretariat. The practical reality has been different, however. District Commissioners have usurped this responsibility taking advantage of lack of clarity of the statutes and the low levels of education of most councillors. In extreme cases, District Commissioners have even ended up chairing the proceedings of DAs.
- 7 See 'Ward Councillors to Serve for Five Years', *The Nation*, 19 February 2003.
- 8 See 'Parties, Civil Society against Diversion of Local Polls Money', *The Nation*, 23 February 2007; and 'Local Polls Postponed: Funds to be Diverted', *Daily Times*, 22 February 2007.
- 9 The government only made an official statement on the local government elections in March 1997. But while indicating the availability of funds for the local government elections, the government decreed that the elections would be held together with the presidential and parliamentary elections in 1999. This required a legislative amendment providing for tripartite elections, but was strategically shot down by Parliament. The effect of this was to further delay the holding of local government elections (cf. Kaunda, 1999).

- 10 See 'DCs Frustrating Decentralization', *The Nation*, 25 August 2003.
- 11 See 'No Funds for Local Polls', *The Nation*, 1 October 2004; and 'Proposal to Suspend or Extend Councillors' Term', *Weekend Nation*, 12-13 February 2005.
- 12 See 'Local Government Polls 2009', *Weekend Nation*, 29-30 April 2006.
- 13 See 'Councillors' Absence Not Felt Chaponda', *The Nation*, 23 May 2003.
- 14 See 'Commissioners are DPP, Says Opposition', *Malawi News*, 2-8 December 2006.
- 15 The Malawi Electoral Commission Act 4 (1) states that the president shall subject to the constitution and, in consultation with leaders of the political parties represented in the National Assembly, appoint qualified persons to be members of the commission on such terms and conditions as the Public Appointments Committee of Parliament shall determine.
- 16 See 'Court Defers MEC Case over AG Absence', *Daily Times*, 17 January 2007; 'Bingu Free to Appoint EC Commissioners', *Malawi News*, 27 January-2 February 2007; and 'Bingu Picks Same People for MEC', *The Nation*, 13 February 2007.
- 17 See 'Parties, Civil Society Against Diversion of Local Polls Money', *The Nation*, 22 February 2007 and 'Local Polls Postponed: Funds to be Diverted', *Daily Times*, 22 February 2007.
- 18 See 'Malawi Only Country in Commonwealth without Councillors', *The Nation*, 30 November 2006.

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4 Poverty and the Politics of (De)centralisation in Ghana

Gordon Crawford*

1. Introduction

Through a case study of Ghana, this chapter questions the conventional wisdom concerning the relationship between decentralisation and poverty reduction in three ways. First, it questions the assumption, as noted by Johnson (2003: 8), that ‘democratic participation will yield strong mechanisms of accountability’. Findings in the Ghana case are that increased participation and popular input into local policy-making processes has not led to greater popular control of government, highlighting a de-linkage between participation and accountability. Second, it questions the ‘ubiquitous claim’, as noted by Smoke (2003: 12), that political will is ‘the principal requirement for success’. The finding here is that reliance on central government political commitment is misplaced or paradoxical, with the Ghana case demonstrating how central governments often implement decentralisation in a manner intended to promote their own interests. Third, it questions the ‘managerial thrust’ of much public administration literature that assumes that ‘if reforms are technically on target, the rest will follow automatically’, as noted by ICHRP (2005: 15). Such literature emphasises the importance of decentralisation being implemented ‘by design’ and not ‘by default’, yet the Ghana case indicates how structural constraints on successful decentralisation are inherent in the design, with decentralisation as a political exercise not a technical one. The questioning of these three aspects of conventional wisdom is underpinned by the concept of the *politics of (de)centralisation*. In other words, while central governments may implement (or be forced to implement) decentralisation for a variety of reasons, these are invariably aimed at retaining (and even consolidating) their own powers and control over resources.

In the introductory chapter to this volume, Crawford and Hartmann discussed recent cross-national reviews that have focused on the specific linkage between decentralisation and poverty reduction (Crook and Sverrisson, 2001; Von Braun

and Grote, 2002; Crook, 2003; Vedeld, 2003; Jütting et al., 2004, 2005). The reviews all examined the impact of decentralisation on poverty along both political and economic lines, with participation and empowerment as the key political indicators and the provision of basic social services as the main socio-economic indicator, as well as including a political component in the multidimensional approach to poverty. The consensus to include a political dimension as integral to the assessment of decentralisation's impact on poverty levels stems partly from the crucial relationship between political 'processes' and socio-economic 'outputs' that is envisaged by decentralisation advocates. With a democratic form assumed, decentralisation is perceived as bringing government closer to the people and is expected to lead to greater political participation at the local level, with citizens more able to make claims on local government, including through their political representatives. In turn, it is anticipated that local government will be more responsive to local populations, inclusive of the majority poor, resulting in poverty reduction. Crook (2003: 77) notes that this is 'an assumption questioned by few'.

This contribution applies a case-study approach. Based on fieldwork data from two rural districts, it asks whether decentralisation in Ghana has led to decreased levels of poverty, and, if not, *why* not. It retains the dual exploration along both political and socio-economic lines of the cross-national studies, though somewhat in reverse. Initially, the socio-economic outputs are examined and the impact of decentralisation on local poverty levels assessed. Subsequently, in attempting to explain why outcomes of decentralisation have *not* been as positive as expected, attention is focused on political processes in terms of levels of political participation and of accountability of government. Initial fieldwork findings were twofold. First, decentralisation has had, at best, a limited impact on reducing rural poverty in Ghana. Second, this is due, at least partly, to a disconnection between the political and socio-economic dimensions, itself largely a consequence of a de-linkage between participation and accountability within the political realm. In the districts examined, decentralisation had indeed led to increased local political participation, yet the accountability of local government to local people had *not* been correspondingly strengthened, with various shortcomings highlighted in downward accountability mechanisms. Thus, participation had not resulted in empowerment, understood as increased popular control over government, with local government remaining largely *unresponsive* to citizens' needs and demands. Therefore, a key conclusion from the empirical data was that the linkage between participation and accountability is crucial to poverty-related outcomes, with increased participation as ineffective unless accompanied by the strengthening of downward accountability mechanisms. Yet, many of the shortcomings in accountability mechanisms that are identi-

fied at local level are themselves symptomatic of wider problems, ones that are inherent in the structure and design of decentralisation. These take the form of national-level political, administrative and fiscal constraints, ones that are largely attributable to the politics of (de)centralisation. In other words, many central governments, including that of Ghana, undertake decentralisation as an attempt to enhance their own legitimacy, including through fostering the appearance of being democratic and participatory at local level, while effectively retaining central powers.

The chapter proceeds in seven parts. After this introduction, the second part outlines the system of decentralisation in Ghana and provides brief profiles of the two rural districts in which fieldwork was undertaken. Based on empirical data, the third part assesses the socio-economic outputs of decentralisation in the two districts and the impact on poverty levels. In accounting for why poverty outcomes have been disappointing, the focus shifts to issues of participation and accountability in the fourth and fifth parts respectively, highlighting the 'participation-accountability gap'. To provide further explanation of this de-linkage, the sixth part redirects attention on the national context of decentralisation where a number of structural constraints are identified, ones that underpin the local-level failings. Finally, conclusions are drawn from the case study, ones that depart from much conventional analysis and question the likelihood of decentralisation having a pro-poor impact. The politics of (de)centralisation suggest that central governments undertake decentralisation measures largely to promote their own interests. The notion of 'decentralisation from above' is paradoxical, with both greater popular control over local government and pro-poor outcomes unlikely if reliant on political commitment from above rather than on political demands from below.

2. Decentralisation in Ghana

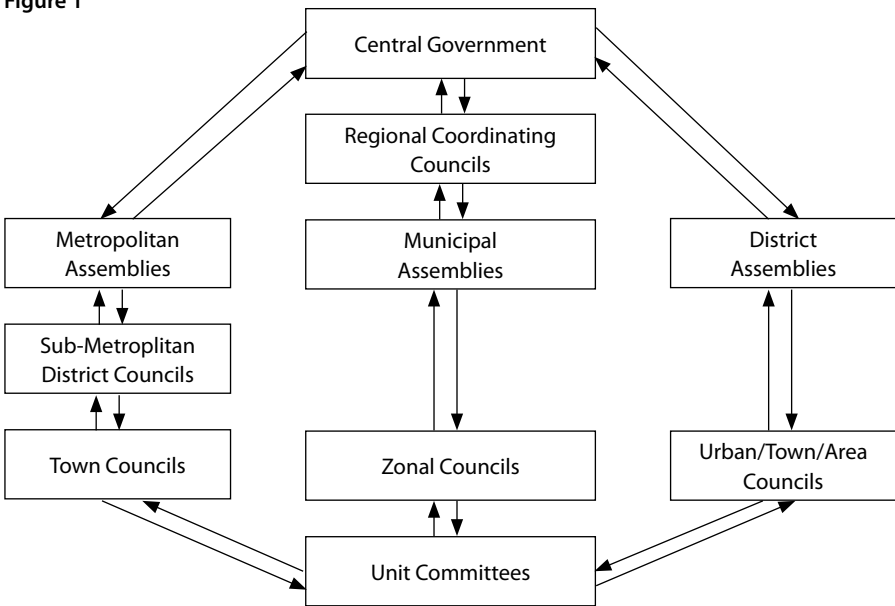
Ghana is a suitable case study for two main reasons. First, decentralisation was initiated two decades ago, thereby providing a sufficient timeframe for an impact assessment to be made. Second, its legal provisions lay claim to a democratic and devolved form of decentralisation in which popular participation is encouraged. This section outlines first the main features of Ghana's system of decentralisation, and, second, brief profiles of the two rural districts in which fieldwork was undertaken.

2.1. *Decentralised structures and processes*

LEGAL FRAMEWORK

Ghana's current system of decentralisation was introduced in 1988 when the Local Government Law (PNDC Law 207) established a new local government system in which the District Assembly (DA) became the key institution in 110 newly designated districts within the country's ten regions.¹ Subsequently the principles of decentralisation and popular participation in government were endorsed in the 1992 Constitution that marked the return to democratic government and in the Local Government Act of 1993. Figure 1 illustrates the structure of national and local government in Ghana.

Figure 1



Source: National Commission for Civic Education (1998).

ELECTORAL SYSTEM

Democratic local elections were introduced under the 1988 reforms, though on a non-partisan basis in which candidates stand as individuals, which remains the current situation.² The District Assemblies are composed of 70 per cent elected members and 30 per cent presidential appointees. Districts are relatively small and divided into a fairly large number of single member constituencies, with can-

didates elected on a 'first-past-the-post' basis. The small size of electoral areas enables relatively close contact between elected representatives and their constituents, potentially enhancing citizens' access to channels of political representation. Indeed, regular opportunities for such interaction were defined in the 1993 Local Government Act, with elected Assembly members required to regularly meet, consult and report back to their constituents.³ The elected Assembly members play a crucial role in linking communities to the DA, with community needs and demands having to be expressed through them.

SUB-DISTRICT STRUCTURES

Two tiers of sub-district structures provide additional mechanisms for political representation and participation at highly localised levels. First, there are over 1,300 Urban, Zonal and Town/Area Councils throughout Ghana, with the given name depending on the size and nature of the settlement. In rural areas these are called Town and Area Councils. The Councils are intermediary bodies composed of between fifteen and twenty members, mainly elected representatives from the institutions above and below the Council level, that is Assembly members (from the four or five electoral areas in each Council area) and ten Unit Committee members (see below), plus five local appointees. Second, there are over 16,000 Unit Committees (UCs) throughout Ghana, covering settlements of approximately 1,500 people in urban areas and between 500-1,000 in rural areas. UC membership consists of ten elected members and five local appointees. Electorates are small in each UC, at times as few as 250 registered voters, yet responsible for electing ten community representatives. The official claim is that the sub-district structures provide formal mechanisms for political participation and representation that stretch from the grassroots upwards to the DA, and onwards to the national Parliament and President.

DECISION-MAKING

Formally, decisions are taken at full meetings of the District Assembly, called the General Assembly, held at least three times a year. The General Assembly is convened and chaired by the Presiding Member (PM), elected by Assembly members from amongst their number.⁴ In practice, most of the work of the DA is undertaken by the Executive Committee (EXECO) and its range of sub-committees. Meeting on a more regular basis, usually monthly, the EXECO consists of up to a third of Assembly members and, significantly, is chaired by the District Chief Executive (see below). One anomaly is that the Presiding Member is barred from membership.⁵ The EXECO plays a pivotal role, responsible for making recommendations to the General Assembly and for monitoring the performance of the executive and administrative functions of the DA. The

various sub-committees are also composed of Assembly members and make recommendations to the EXECO.⁶

DISTRICT CHIEF EXECUTIVE

A District Chief Executive (DCE) is appointed by the President of Ghana for each district, and is undoubtedly the most powerful person in the DA system.⁷ He/she (though mainly he) is a political appointee, invariably a local member of the governing party, appointed to this full-time, salaried position for a term of four years, renewable for a second term.⁸ The DCE is both the political and administrative head of the district, combining political and executive powers. He/she is an *ex-officio* member of the Assembly, and arguably the most influential Assembly member given his/her role as chair of the EXECO. He/she is head of the district administration, made up of a small number of centrally-appointed civil servants, headed by the District Co-ordinating Director (DCD) and including planning and budget officers. Significantly, the DCD and other officials are answerable to the DCE, not the Assembly. Therefore, the DCE has unrivalled power in the district, as well as being central government's representative at district level.⁹

POWERS AND FUNCTIONS

A first reading of the legislation does suggest that the powers and functions of the DA are extensive. The 1993 Local Government Act confirms the DA as the 'highest political authority in the district' (Article 3 [1]), acting as the planning, development, budgeting and rating authority. The broad functions of the DA include 'deliberative, legislative and executive functions' (Article 10 [2]). It is 'responsible for the overall development of the district' (Article 10 [3]), inclusive of a responsibility to 'co-ordinate, integrate and harmonize' the activities of *all* development agencies (Article 10 [5]), notably the deconcentrated line departments that operate at district level (known in Ghana as 'decentralised departments') and non-governmental organisations. These broad functions were given *prior* specificity in the Legislative Instruments that created each District Assembly following PNDC Law 207 in 1988, which outlined eighty-six specific functions of DAs. Yet, as Ayee (2004: 129) points out, only a few of these functions are actually *devolved* functions where full authority and responsibility rests with the DA.¹⁰ The main responsibility for the delivery of major public services, such as health, education and agricultural extension services, still rests with the line departments located in each district. The DAs' powers would be substantially increased by placing the line departments under their control, as originally stated in PNDC Law 207 (1988) and reiterated in the Local Government Act of 1993.¹¹ Yet the necessary legislation to achieve such reforms, the Local Government Service Act, was only

passed in 2003, allegedly due to pressure from international donors, and, as of late 2007, still awaits implementation.

FINANCE

The 1992 Constitution (Article 252 [2]) established the District Assembly Common Fund (DACF), with annual allocations 'not less than 5 per cent of the total revenues of Ghana.'¹² DAs also have their own revenue-raising powers, though income generated is limited. Nkrumah (2000: 61) comments that the 'lucrative tax fields' (for example, income tax, sales tax) all belong to the centre, while local government has access only to 'low yielding taxes such as basic rates and market tolls'.

In sum, partially democratic structures have been created at local levels, with the potential to facilitate local political participation and to enhance local government accountability. Of particular note are the representative sub-district structures that provide opportunities for the channelling of demands and for inputs into policy-making processes from the grassroots upwards. Nevertheless, elements of retained central government control are also evident.

2.2. *District profiles*

Fieldwork was undertaken in two rural districts in the Brong-Ahafo and Ashanti regions of Ghana. To preserve anonymity of sources, these districts have been given the fictional names of Asanama and Bofano respectively. Although not located in the poorest regions of Ghana, both districts are characterised by rural poverty in terms of low income levels and a lack of access to basic services such as water and sanitation, education and health. Agriculture is the main economic activity in both districts, cultivating cash crops (mainly cocoa) and food crops (plantain and cocoyam). In Asanama, industry is limited to timber processing and small-scale agricultural processing, employing 5.9 per cent of the labour force (Asanama DA, 2003: 9). In Bofano, industrial activities employ 18.4 per cent of the labour force, though mainly small-scale cottage industries, such as palm oil processing, brick and tile factories, as well as the logging of timber (Bofano DA, 2002: 22).

In Asanama (population 192,000), 24 per cent of the population live below the poverty line, with women comprising 60 per cent of those in poverty (Asanama DA, 2003: 30). Two-thirds of the population do not have potable water, while 70 per cent do not have access to household latrines (*ibid.*: 19). Health facilities are inadequate for the population, comprising one district hospital, three health centres and eight rural clinics. Four doctors were based at the hospital, giving a very high patient to doctor ratio of approximately 45,000:1.¹³ Access to primary education is fairly good, with three-quarters (75.1 per cent) of primary

age children enrolled in public schools and a further 10.4 per cent in private schools (Ghana Education Service, Asanama District, 2004). But enrolment rates decrease to 58.8 per cent for junior secondary schools (JSS) (age 11-14) and then drop dramatically to 9.5 per cent for senior secondary schools (SSS) (*ibid.*). Girls' enrolment is less than that of boys at all levels, with the gap widening as the level of education increases. The district adult illiteracy rate was estimated at 60 per cent in 2002 (Asanama DA, 2003: 45). Regarding infrastructure, the road network is described as 'poor', with few tarred roads and many untarred roads becoming impassable during the rainy seasons (Asanama District Health Directorate, 2004: 3). Electricity supply is limited to 37.2 per cent of households (Asanama DA, 2003: 19).

In Bofano (population 148,000), the DA states that 'one of the most serious social problems in the district is the relatively high level of poverty', characterised by low levels of household income, insufficient to meet basic needs in terms of food, shelter and clothing, and by the low-level of basic social amenities such as health, education, water and sanitation (Bofano DA, 2002: 34). A 'sizeable number of households are malnourished' due to low incomes and pre-harvest food shortages (*ibid.*: 59). Inadequate water supply and sanitation are again major concerns, with 43.3 per cent of households dependent on contaminated water sources from streams and ponds (*ibid.*: 11), while only 0.7 per cent of households have their own or shared toilet facilities, with 90 per cent of households reliant on public latrines and 9.3 per cent having no access to toilet facilities (*ibid.*: 12). Health care services remain very inadequate. Although the health centre in the district capital had recently been upgraded to hospital status, there was only one doctor for the entire district of 148,000 people. Also many remoter communities lack access to basic health services, and infant and child mortality remain major issues (*ibid.*: 56). Educational provision is also a key concern. Enrolment rates in 2004 for public and private schools combined were 60 per cent at primary level (equal for boys and girls), dropping to 49 per cent for boys and 41 per cent for girls at JSS level and 7 per cent (boys) and 4 per cent (girls) at SSS level (Ghana Education Service, Bofano District, 2004). Educational infrastructure is described as inadequate and in poor condition, with only 40 per cent of schools having adequate classrooms and furniture (Bofano DA, 2002: 48). Adult illiteracy is high at 57 per cent of the adult population (2000 Census, cited in *ibid.*: 57). Regarding other infrastructure, only 6 per cent of households had electricity (2000 Census, cited in *ibid.*: 11) and the condition of a large number of feeder roads is described as 'deplorable', with farming communities becoming inaccessible during the rainy seasons (*ibid.*: 5).

3. Impact of Decentralisation on District Poverty Levels

This section addresses the core question of whether decentralisation has decreased poverty levels in rural Ghana, based on empirical data gathered in Asanama and Bofano. Data was collected in the two districts over a two-month period in mid-2004. The aim was to assess the contribution of each DA to poverty reduction at district-level.¹⁴ Within each district, four communities were chosen on the basis of their relative deprivation, with one community selected from the four categories of 'more developed', 'less deprived', 'deprived' and 'most deprived'.¹⁵ Three data collection methods were used. First, a household survey was conducted in ten households in each community, providing eighty respondents in total.¹⁶ Second, focus group discussions with 'opinion leaders' were held in the eight communities.¹⁷ Third, key informant interviews were held at district level.¹⁸

The impact of the District Assembly system on local poverty is assessed in terms of access to basic social services and increases in household incomes, in other words on the social and economic dimensions of poverty. The emphasis on basic services corresponds broadly to the main socio-economic indicator used in the cross-national reviews, while the level of household incomes is an important economic indicator that appears to have been omitted from the cross-national studies. This section proceeds in four parts. First, household income levels are examined and whether any increases can be attributed to the DA. Second, local people's perceptions of DA performance are explored. Third, pro-poor objectives in DA development plans are contrasted with their implementation. Fourth, the level of financial resources available to the DA is considered.

3.1. *Household income levels*

From the household questionnaire, respondents' income levels confirmed the depth of rural poverty, with no demonstrable trend of rising real incomes over the previous five years.¹⁹ Indeed a slightly higher proportion reported decreases (51.25 per cent) than increases (48.75 per cent). The main reason for increased income levels was rising prices for agricultural commodities, especially cocoa, identified by 60 per cent of those reporting higher incomes. A smaller number of respondents noted that the mass spraying of cocoa (undertaken by the Ministry of Food and Agriculture) had increased production, while others identified improved transport and storage facilities as enabling higher sales. The primary cause of decreases in disposable income was perceived as price rises in basic goods, especially food, highlighted by 30.6 per cent of respondents, with rises in school fees and medical charges identified by a further 19.4 per cent. When asked what action the DA could take to improve income levels, two measures were commonly stated: the provision

of loans (31.3 per cent of respondents) and the construction and improvement of feeder roads (23.8 per cent). What is the record of the two DAs in these areas?

In both districts funds had been used for enhancing employment opportunities. In Asanama, this mainly took the form of training programmes, such as in 'tie and dye' batik for women. One criticism, however, concerned the non-availability of loans to establish small enterprises after completion of the training.²⁰ In Bofano, a Poverty Alleviation Fund had been created to disburse low-interest loans to individuals, aiming to raise incomes through increased productivity and employment generation. This fund was also subject to criticism, however. First, the total amount allocated to the Fund was limited, only 4 per cent in 2004 of the district's annual grant from the DACF. Thus individual loans were small, between 250,000 and 300,000 Cedis (US\$25-30) and perceived as of limited use.²¹ Second, loans were made to individuals and not to the groups and cooperatives formed for productive purposes (e.g. cassava growers association, kenti cloth weavers).²² Third, and most significantly, it was alleged that the Fund had become politicised, with individual loans commonly disbursed to ruling party supporters and high non-repayment rates.²³

Road construction and improvement, especially of feeder roads, is identified as a crucial issue by both DAs, though one where they have limited capacity to act. In Asanama, poor roads are stated as a key development problem, ranked second overall after the lack of potable water (Asanama DA, 2003: 91), and the rehabilitation of two trunk roads and seven feeder roads is one of thirty-four objectives in the District Medium Term Development Plan, though ranked seventeenth. Similarly in Bofano, the poor condition of roads is regarded as a key problem of the local economy (Bofano DA, 2002: 71), with ambitious plans to rehabilitate thirty-seven feeder roads. Yet, the main responsibility for roads lies with central government agencies, the Ghana Highways Authority (for trunk roads) and the Department of Feeder Roads. The DA can select feeder roads for construction and improvement, but is dependent on the Department of Feeder Roads for implementation and on central government for funding. Only in exceptional circumstances does the DA itself undertake road repairs, for example, urgent repairs after rain damage. Thus, in their development plans, the DAs have highlighted the need for local road improvement, but ultimately their ability to implement such plans is limited.

3.2. *Local perceptions of DA performance*

The household questionnaire and focus group discussions revealed mixed perceptions of the District Assembly's performance in tackling district poverty, positive in some respects, less so in others. Majority views were that the DA had contributed positively in the areas of water supply and education, while its con-

tribution to health services and sanitation (public toilet provision) was perceived more negatively.

A sizeable majority of respondents thought that the DA had improved both education services (61.3 per cent) and the potable water supply (62.3 per cent) in the last ten years. A larger majority of respondents (78.8 per cent) also felt that district infrastructure had improved, though this entailed some overlap, with key examples given as school buildings and boreholes, as well as road construction, electricity supply and market structures. More negatively, only a minority of respondents felt that health services and public toilet provision had improved. Forty-five per cent of respondents thought that health service improvements had been achieved, as against 35 per cent who felt that no real change had occurred and 18.8 per cent who thought that provision had deteriorated. Shortcomings were most evident in relation to public toilet provision, where only 12.5 per cent of respondents suggested that the DA had brought about improvement, while 45 per cent said no change had occurred and 42.5 per cent that the situation had actually got worse.

These findings from the household survey were generally corroborated by the focus group discussions, which highlighted improvements in similar sectors, notably school infrastructure and water supply (boreholes), as well as market facilities (stalls and sheds) and road rehabilitation. Unmet expectations were also evident, with dissatisfaction focusing on the same sectors, notably schools, water and markets. Either improvements in these areas had not happened for some communities or facilities remained poor. Inadequate public toilet provision was again highlighted in a number of focus groups as a key area of need that had not been addressed in either district.

Therefore there is some evidence of a positive endorsement of the District Assemblies' contribution to important areas of poverty reduction, especially basic service provision. Yet there are two important qualifications. Firstly, the poorest communities were less enthusiastic, with the most negative assessment of DA performance coming from the more deprived communities. In both districts, the focus groups in the 'most deprived' communities were most critical of the lack of benefits from decentralisation, a perspective shared by the 'deprived' category. These smaller, poorer and remoter communities felt relatively neglected within their districts, with criticisms made that 'development activities are not reaching the hinterland' and that the DA 'collects revenue from this area, but puts little back into the community'. The second qualification is that perceived improvements often cannot be wholly attributed to decentralisation and the DA system. Questionnaire respondents and focus group participants often did not differentiate between levels of government, local and central, or between the roles of different government agencies. This was most apparent as regards education and water

supply, the two most positively perceived sectors. In education, although the DA plays a role in the provision of school infrastructure (buildings and furniture), it is the district-level office of the Ghana Education Service that remains the key agency. Regarding water supply, although the DA plays an important role in the District Water and Sanitation Team (DWST), including the selection and part-financing (5 per cent) of community water projects, the Community Water and Sanitation Agency (CWSA), a donor-funded central government agency, has overall responsibility and provides 90 per cent of funding. In many other areas, for example, electricity supply, the DA role is subsidiary to that of central government departments.

3.3. *District development plans: pro-poor objectives and implementation*

Explicit poverty reduction objectives are contained in the District Medium Term Development Plans (DMTDP) that each District Assembly is required to draw up, usually in five-year cycles.²⁴ For example, the mission statement of Asanama DA, proclaimed on the Assembly's external wall, was to reduce 'poverty' and 'core poverty' levels from 24 per cent and 15.4 per cent respectively to 20 per cent and 7 per cent, within the period of 2002-04. Such objectives have become widespread following the adoption of the Ghana Poverty Reduction Strategy (GPRS) at national level, and the requirement by central government that District Assemblies structured their DMTDP for 2002-04 according to the five priority themes of the GPRS (National Development Planning Commission, 2002: 1).

The DMTDPs in both districts were oriented at reducing poverty levels and providing basic services. The explicit poverty reduction objectives stated in the mission statement of Asanama DA have been highlighted. In Bofano, the development plan is clearly focused on poverty reduction, both through increasing income levels, for instance by enhanced agricultural and industrial production, and through basic service provision. Development plans are structured in terms of goals, objectives, outputs and activities in each of the GPRS thematic areas. Goals of both District Assemblies are similar, producing 'wish-lists' that include increasing industrial and agricultural production, improving educational standards, providing basic health care, controlling the spread of HIV/AIDS and reducing population growth (Asanama DA, 2003: 107-08; Bofano DA, 2002: 90-1). Specific objectives are then outlined by which to achieve each goal. Some of these are within the scope of the DA ('to construct forty three-unit classrooms'), whereas others depend on line departments ('to increase the production of paddy rice and maize by 10 per cent'), or central government agencies ('to extend electricity to ten communities'), or are simply wishful thinking ('reducing the unemployment rate from 11.5 per cent to 7 per cent'). Therefore the DMTDPs undoubtedly

contain pro-poor elements which, if implemented, would contribute to poverty alleviation at district level. However, doubts emerge about the DAs' abilities to implement such plans.

It is acknowledged in Bofano that previous 'Development Plans have failed to achieve the set goals and objectives as a result of poor implementation' (Bofano DA, 2002: 122), and in Asanama that 'implementation has always been a problem'.²⁵ To what extent did the DMTDPs for 2002-04 fare any better?

In Bofano, an assessment of plan implementation has been possible through comparison of the DMTDP (2002-04) with the list of development projects and programmes implemented from January 2001 to June 2004. This suggests the following points. First, Bofano DA has focused on small-scale construction projects, notably school classrooms and teachers' accommodation, health centres and nurses' accommodation, boreholes and toilet facilities. Second, the numbers of such projects are considerably *less* than planned. For example, twenty classroom blocks have been built and eight rehabilitated, yet plans were to construct forty and renovate fourteen. Further, 100 new boreholes were planned in the DMTDP from 2002 to 2004 (plus a further ten for irrigation purposes), yet only forty-two had been completed from January 2001 to June 2004. In all areas, considerable slippage from plan to implementation is apparent, often around 50 per cent. Third, there are many planned activities in the DMTDP that do not feature in the list of implemented projects. These are often non-infrastructure activities, for example, family planning and HIV/AIDS awareness training. Additionally, proposed district economy projects are absent from the list of projects implemented, notably those that focus on developing small-scale industries and agro-processing facilities. Fourth, there is no indication or guarantee that the relevant line department has actually implemented sectoral projects in the DMTDP. As observed for road projects, the DA has little or no influence on whether such projects are implemented.

3.4. *Financial resources*

The impact of District Assemblies on poverty reduction is clearly limited by the availability of financial resources. Have these increased? Table 1 indicates that there has been an appreciable rise in revenue in both districts over a five-year period (1999-2003), mainly attributable to increases in central government transfers from the District Assembly Common Fund (DACF).²⁶ The figures are distorted, however, by the DACF figures for 2003 being inflated by the inclusion of a significant shortfall in central government transfers from 2002.²⁷ Internally generated revenue (IGR) has also increased over this period, with Asanama DA particularly successful in achieving annual increases in revenue raised from local

sources, rising from 0.37 billion Cedis in 1999 to 1.7 billion in 2003. Undoubtedly these rises in available financial resources do provide DAs with significantly more funds with which to address local poverty issues, given a political will to implement pro-poor policies. Research raised four other points, however.

Table 1: District Assembly Revenue

Asanama District Assembly (population: 192,000)

Year	DACF (Cedis)	IGR (Cedis)	Ceded Revenue (Cedis)	Total Revenue (Cedis)	Total Revenue (US \$, 2004 prices)
1999	617,797,466	373,006,186	17,139,847	1,007,943,499	114,539
2000	Figures not available				
2001	1,096,919,167	618,866,699	–	1,715,785,866	194,976
2002	1,516,593,803	1,402,894,703	–	2,919,488,506	331,760
2003	4,902,310,492	1,696,063,508	–	6,598,374,000	749,815

Source: Asanama District Assembly Annual Trial Balances for years 1999-2003 (2000 not available).

Bofano District Assembly (population: 148,000)

Year	DACF (Cedis)	IGR (Cedis)	Ceded Revenue (Cedis)	Total Revenue (Cedis)	Total Revenue (US \$, 2004 prices)
1999	795,830,126	215,630,344	15,912,362	1,027,372,832	116,747
2000	959,951,154	182,142,524	–	1,142,093,678	129,783
2001	1,133,254,790	Not available	–		
2002	1,463,737,529	645,857,240	–	2,109,594,769	239,727
2003	4,184,654,424	586,336,248	–	4,770,990,672	542,158

Source: Bofano District Assembly Annual Trial Balances for years 1999-2003 (2001 incomplete).

First, financial accounts indicate that the DA spends a considerable proportion of available resources on itself in both districts, notably on the construction and refurbishment of Assembly buildings, including staff accommodation, on hardware (such as computers and generators) and on staff training. While mostly legitimate, expensive projects such as the construction of an executive guesthouse

costing almost a quarter of a billion Cedis are more questionable.²⁸ This suggests a degree of elite capture of local resources, in this case an official elite created by the District Assembly system itself.

Second, increasing amounts of 'internally generated revenue' (IGR) may appear desirable, not only providing additional revenue but also likely to enhance demands for local government accountability (Moore, 2007: 56-7). However, it is possible that IGR constitutes regressive taxation, given that it is raised mainly through fees and taxes on small businesses and on stool land.²⁹ Indeed, one particularly deprived community specifically complained that the DA collected revenue from them yet they received no benefits in return. Reliance on IGR also potentially increases differentials and inequities between districts, given that poorer districts will be able to raise less funds.

Third, DAs have no knowledge of, nor control over, the finances of the line departments.³⁰ The so-called decentralised departments are financially autonomous from the DA, receiving funding from central government and operating according to guidelines from their respective ministries, to whom they are accountable. Additionally, the funds available to the larger line departments, such as education, health and agriculture, can be substantial in the district context. Indeed it is estimated that 85 per cent of government funds at district level are *not* controlled by the District Assemblies,³¹ undermining their role as the planning, development and budgeting authority (Local Government Act 1993, Article 3[1]) and their responsibility for poverty alleviation within their geographical boundaries.

Fourth, the experience of Bofano DA indicated that District Assemblies are often highly dependent on accessing external donor funds for implementation of their planned programmes. In their DMTDP, Bofano DA's financial projections included the sum of 14.5 billion Cedis from external donors towards projects costing 25.2 billion Cedis, with the other 10.7 billion Cedis coming from the DA's own funds (that is, DACF and internally generated revenue) (Bofano DA, 2002: 123). External sources included: Village Infrastructure Project (VIP – World Bank-funded); Quality Improvement in Primary Schools (QUIPS – USAID-funded); Highly Indebted Poor Countries debt relief (HIPC managed by central government); and the Community Water and Sanitation Agency (CWSA – a donor-funded central government agency).

Therefore, in summary, what has been the overall impact of decentralisation on poverty levels in rural Ghana? Evidence from the two districts indicates that impact is limited at best with respect to incomes and basic services, with a degree of elite capture.

4. Decentralisation and Local Political Participation

These relatively negative findings cause us to look back at the *processes* that decentralisation advocates anticipated would lead to more responsive government and thus to pro-poor outcomes. What has gone wrong with these processes? What shortcomings can be identified? The next two sections address these questions. This section focuses on levels of political participation, regarded as key to greater government responsiveness by decentralisation advocates such as the World Bank. In their *Attacking Poverty* report, for instance, the Bank declared that, 'Widespread political participation is vital to successful decentralisation' (World Bank, 2001: 108). The degree of political participation is also used as a measure of the linkage between decentralisation and poverty reduction in three recent cross-national studies (Crook and Sverrisson, 2001; Von Braun and Grote, 2002; Jütting et al., 2004, 2005). However, increased participation on its own does not guarantee greater responsiveness of government.³² This is reliant on the intermediate variable of accountability, which is examined in the next section. Specifically, government responsiveness depends on whether political participation has led to a strengthening of *downward* accountability of local government to elected representatives and their constituents. Decentralisation advocates have not ignored issues of accountability, but there is a tendency to assume, as noted by Johnson (2003: 8), that 'democratic participation will yield strong mechanisms of accountability'.³³ Such an assumption is flawed, of course, as Johnson recognizes, and the argument here is that a de-linkage between participation and accountability, as manifested in the Ghana case, is a fatal shortcoming in the process that is expected to lead to more responsive and more pro-poor local government.³⁴

Decentralisation is commonly seen as a means to increase opportunities for political participation and to enhance democracy. Indeed, the Ghanaian Constitution states this explicitly when declaring that:

The State shall take appropriate measures 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 (Article 35[6][d], emphasis added).³⁵

In this section, the extent to which opportunities for political participation are actually available and utilised at district level are explored in three ways: through electoral participation and, between elections, through attendance at community meetings and contacting of political representatives.³⁶

4.1. *Electoral participation*

Electoral participation at district level elections was fairly high, especially at Unit Committee level. Voter turnout at DA elections in 1998 and 2002 was good though not exceptional.³⁷ It is at grassroots level that the enthusiasm for political participation was most impressive in the districts examined, with significant numbers of people contesting UC elections. It would not have been surprising if many Units were uncontested, given that a minimum of eleven candidates are required from electorates of between 250 and 500 registered voters just for a contested election to occur. Much the opposite was found, however, especially in Asanama. Here, of the 176 units, 151 were contested in the 2002 elections, leaving only twenty-five units (14.2 per cent) where less than eleven candidates stood and were therefore elected unopposed. The number of candidates that stood at the UC elections is another means of measuring political participation. In this one district, there were a total of 2026 candidates in 2002, amounting to one person in every forty-five registered voters standing as a candidate.³⁸ This is an exceptionally high level of local political contestation.³⁹

4.2. *Attendance at meetings*

From the household survey, knowledge of the local Assembly member was high, with almost all respondents aware of his/her identity.⁴⁰ With regard to attendance at the community meetings that the Assembly member is mandated to call regularly, over a third of respondents in Asanama had attended one or more meetings, rising to almost two-thirds in Bofano. Such levels of participation at meetings are particularly impressive when taking into consideration the fact that meetings had often *not* been called, as the focus group discussions highlighted. Focus groups indicated that community meetings had not been called regularly by Assembly members in a number of electoral areas, while attendance had been quite impressive where they had been held. In almost two years from the August 2002 elections until May/June 2004, some meetings had been held in four communities, while no meetings had been organised in the other four.⁴¹ Only in two villages had regular meetings been held, both in Bofano, in the 'deprived' and 'most deprived' settlements, where the beating of the traditional *gong-gong* summoned villagers to discuss community and district issues. Thus the findings were that community meetings with Assembly members had been generally well attended *where they had occurred*.

4.3. *Contacting political representatives*

When asked whether they had contacted one or more of a range of political, religious, traditional and community figures concerning individual or community issues, over two-thirds (67.5 per cent) of household questionnaire respondents answered affirmatively. The Assembly member was the most frequently contacted in each district, accounting for 26 per cent of instances (29 out of 113 instances), followed by the MP (16 per cent of instances), Area Council or Unit Committee member (14 per cent), District Chief Executive or District Co-ordinating Director (12 per cent), religious leaders (12 per cent) and chiefs (11 per cent). This indicates a greater propensity to contact political representatives rather than executive members or religious and traditional leaders.

The focus groups confirmed a keen awareness of the representative role of the Assembly member. In response to the question concerning how communities try to influence DA decision-making, the Assembly member was correctly identified in all discussions as the key means through which to channel community needs and demands. For example, the poor condition of the primary school building was a major concern in two separate villages, with both communities following the correct procedure and urging their Assembly member to take up this issue with the respective DA, though with differing outcomes – while new roofing sheets were provided in one ‘less deprived’ community in Bofano with good access to the district capital, no action was taken in a particularly remote and deprived community by Asanama DA, despite ‘promises made by the DCE’.

Overall, the evidence from the two districts indicates significant levels of political participation at district and sub-district levels.⁴² Given the tendency to equate participation with empowerment in some cross-national studies (Von Braun and Grote, 2002: 73-74; Jütting et al., 2005: 629-30; see footnote 33), this could be regarded as an indicator of pro-poor policies. Yet ultimately such local political participation is only meaningful if it has the opportunity to influence decision-making and resource allocation at local government level. This leads to a discussion of accountability.

5. **Decentralisation and Accountability**

This section considers the extent to which district-level government is downwardly accountable to its citizens. It does so by examining the mechanisms of communication and consultation between citizens and public officials, and assesses their efficacy.⁴³ Despite the assumptions noted by Johnson (2003: 8), there is no automatic linkage between increased participation and greater accountabil-

ity, and indeed this section provides extensive evidence of the de-linkage between participation and accountability in the Ghana case. In other words, the accountability of local government to its citizens remains low despite reasonably high levels of political participation by local people. Downward accountability can be sub-divided into two main aspects: the accountability of elected representatives to the public (their constituents); and the accountability of the local executive to elected representatives. Based on fieldwork data, various shortcomings are highlighted that limit both aspects.

5.1. *The accountability of elected representatives to the public*

Although relatively educated, elected Assembly members in Ghana cannot simply be described as coming from local elite groups. Indeed they were mostly farmers and teachers in the two rural districts examined.⁴⁴ They are constituency representatives, but how well were mechanisms working that should enable constituents both to channel views and demands to the DA through their political representatives and to hold them to account for (non-)actions taken? Three problematic areas are identified here: the representative role of Assembly members, the role of the sub-district structures and the representation of women.

REPRESENTATIVE ROLE OF ASSEMBLY MEMBERS

In principle, regular opportunities for constituents to hold their local representatives to account are provided by the obligations of elected Assembly members to meet their electorate before each session of the General Assembly and to bring constituents' views and proposals to Assembly meetings. In practice, the discussion above indicated the variability with which meetings had been called. Indeed the question concerning the frequency with which the Assembly member called community meetings resulted in animated discussion in focus groups (to which the Assembly member was always invited and usually present), with explicit criticism at times. For instance, it was stated in one that Assembly members are 'letting down the people by not meeting with them'.

Although individual Assembly members were criticised in focus group discussions, issues are clearly wider than individual failings. Assembly members themselves raised two broader difficulties. First, one Assembly member stated that there was a financial cost involved in organising constituency meetings, yet no financial support was forthcoming from the DA. Given that Assembly members hold honorary positions and are mainly from non-elite backgrounds, they cannot be expected to bear such costs. Second, Assembly members expressed frustration with their inability to get the DA to respond to community needs. One Assemblywoman in a 'deprived' community stated that she had not been successful

in getting DA support for the priority needs of her community, notably road improvement and drinking water, and feared this would adversely affect her re-election chances. Such difficulties raise further concerns regarding the accountability of the district executive to the Assembly and the DA's powers and capacity to meet local needs (discussed below).

UNIT COMMITTEES AND AREA COUNCILS

The sub-district structures offer, in principle, another important means of channelling community needs and demands from the grassroots upwards to DA level, as well as a further means by which local communities can hold their district level representatives to account. Yet major problems were discovered with the functioning of both Unit Committees and Area Councils, severely weakening such accountability mechanisms.

The national system of 16,000 UCs was reconstituted at the August 2002 local elections. By mid-2004, only nine out of twenty-two UCs remained active in the eight communities examined, often dependent on a small number of activists. The other thirteen, while existing on paper, had effectively ceased to function.⁴⁵ The main reason given for this collapse in focus groups was the absence of any funding provided by the DAs, in particular unmet expectations regarding payment of a 'sitting (attendance) allowance', with the role of community representative described as 'purely sacrificial'.⁴⁶ Turning to the Area Councils (ACs), the picture was similarly discouraging. Focus group discussions indicated that ACs were functioning in only two of the eight Areas, one in each district, with very limited activity by a few councillors in another two Areas. Again, the other four ACs were said to exist on paper, yet had ceased to function.⁴⁷ Thus, the important intermediary role played by Area and Town Councils between grassroots communities and district authorities had broken down in most instances. Most disheartening was the views expressed in two focus groups, one in each district, that the ACs are 'virtually redundant' and that they have 'hardly functioned since their establishment ten years ago'. The foremost cause of the collapse of Area and Town Councils again appears to be financial, with neglect by both DAs. Not only had salaries of AC staff not been paid at times, but also the stated reason for the non-convening of meetings in one Area in Bofano was that the DA provided no money for transport and sitting allowances.⁴⁸ In theory, there are two sources of finance for Area and Town Councils: a central government earmark of 'not less than 5 per cent' of the District Assemblies Common Fund to 'establish and strengthen' Town and Area Councils; and retention of 50 per cent of revenue collected on behalf of the DA. Yet it appears that such 'earmarked' funds are not being fully utilised for their intended purpose. In addition, focus group discussions indicated that the revenue collection role had either been 'sidelined' by the DA, as

stated by members of one Town Council, or that the AC had not received their due share of taxes collected, as stated by officials in another Area. Such financial privation undermines their capacity and their legitimacy. Forget about the prospects of exercising an accountability role, the reality in many instances was of a body that scarcely exists.

REPRESENTATION OF WOMEN

Ensuring the equal participation and representation of women in political life is a world-wide issue, perceived as a necessary condition if governments are to address the needs of, and be accountable to, one half of the population.⁴⁹ Yet the dominance of men in local government in Ghana is described by Ayee (2000a: 34) as 'overwhelming', confirmed by findings here. Of the eight communities studied, only one was represented by an Assemblywoman. This was fairly typical. In Asanama, out of sixty-nine Assembly members, forty-eight elected and twenty-one appointed, only nine were women, four elected and five appointed. In Bofano, out of fifty-eight Assembly members, forty-two elected and sixteen appointed, only seven were women, one elected and six appointed. A reason suggested in one focus group for the low number of women candidates in DA elections was the lack of independent access to the finances required for an election campaign, reinforced by the context of non-partisan elections where political party support is disallowed. At sub-district level, the picture did not improve. Of those functioning UCs, female membership varied from zero out of fifteen to a maximum of three in one instance. The number of women members at Area/Town Council level was similarly very low, with female councillors in functioning ACs ranging from zero to three out of twenty. This is particularly disappointing given that sub-district level representation could serve as a training ground for the participation of women at DA level (Thomi et al., 2000: 334).

Despite low numbers of female representatives, have District Assemblies nevertheless addressed women's issues? Under its discretionary powers, Asanama DA had established a Women and Gender Sub-committee, while Bofano had not. Although the specific sub-committee enabled more focus on issues pertinent to women, difficulties were still encountered. First, the Women and Gender Sub-committee faced the same financial constraints common to all sub-committees (see below). One consequence was that by mid-2004 the sub-committee had not yet met that year, with the convenor unwilling to call meetings when members' travel expenses could not be provided. Second, a feeling of marginalisation had been experienced, with the sub-committee's initiatives not receiving support from the EXECO, for example, a proposal for a health education campaign on HIV/AIDS. Therefore some neglect of women's needs and demands is apparent in the two districts examined, perhaps unsurprisingly

given the lack of female representatives, questioning the accountability of DAs to half the population.

In sum, despite the promising legal framework, it is evident that the accountability of elected representatives to local citizens is limited in three ways. First, elected Assembly members have generally not been fulfilling their responsibilities to hold regular meetings. Second, sub-district structures have collapsed, confirming the tendency noted by Aye (2000b: 128) for the DAs themselves to 'centralise within their boundaries', with little enthusiasm shown for being held accountable by their constituent communities. Third, the accountability to women is undermined by the lack of women representatives on elected bodies. Overall, the opportunities available in theory for local voters to monitor and sanction the actions of their elected representatives are very restricted in practice.

5.2. *Accountability of the local executive to elected representatives*

The second aspect of accountability concerns the extent to which the district executive is accountable to the elected representatives. Two shortcomings are identified here, the dominant role of the DCE and the weakness of the sub-committee system. Both indicate that the local executive, dominated by the DCE, operates under few checks and balances and with limited accountability to the elected representatives.

ROLE OF DISTRICT CHIEF EXECUTIVE

When visiting District Assemblies in Ghana it is clear that the key individual is the DCE, 'presidential' in the scope of his/her powers that combine both political and executive functions. The question posed here concerns whether there are effective constraints on the DCE's exercise of power. In theory, the capacity of the DA to hold the district executive to account should be strengthened by the parliamentary-type system, inclusive of the General Assembly and the EXECO and its sub-committees, in which the Assembly members play a key role. In practice, these potential opportunities for influencing and monitoring the executive's actions were not working well.

From interviews with the Presiding Members (PM) of both Assemblies, there was little indication that the locally-elected Assembly members were able to constrain the powers of the centrally appointed DCE through the General Assembly. In Bofano, during the PM's term office since 2001, the powers of the DCE had not been challenged or overturned in any of three important areas.⁵⁰ First, after the DCE's annual sessional address, the General Assembly deliberates and takes decisions on whether to accept or reject each issue raised in the DCE's address, yet nothing had been rejected. Second, in budget discussions, no proposed item had been modified or rejected. Third, in making decisions on EXECO recom-

mendations, all recommendations had been accepted. The presence of a block (30 per cent) of appointed Assembly members, generally providing partisan support to the DCE, can discourage prospective challenges to the DCE from elected members, given low prospects of success. Ghana would appear to be an example where 'local executives exercise much more power than the legislature' and 'local assemblies are often incapacitated in influencing the policy process or in holding the executive accountable' (Olowu and Wunsch 2004: 72). In the case of Ghana, such executive power is concentrated in the hands of a political appointee, the DCE, rather than in civil servants. This relative failure by Assembly members to challenge the power of the DCE raises issues concerning their overall skills and suggests the need for training in their roles and responsibilities. Yet the main problems are legal and structural in nature, notably the DCE's powerful position as a presidential appointee and as the chief representative of central government in the district.

Further indications of DCEs' power to pursue their own agenda, relatively unencumbered by accountability mechanisms, comes from two sources. One is the perception by the two 'most deprived' communities of an inequitable distribution of resources within the districts. Focus group discussions suggested that resources were 'skewed towards communities on the main road' (Bofano), with a 'neglect of the hinterland' (Asanama). Additionally, one DCE was criticised for favouring projects in his home town. Second, financial accounts indicate considerable outlay by the DA on itself, notably new accommodation for the DCE in one district and an executive guest house in the other, diverting scarce funds from basic development needs in the districts.⁵¹

One mechanism to increase the downward accountability of the DCE is through an elected post, with considerable support for this reform. In the household survey, 74 per cent of respondents supported an elected DCE, with overwhelming support for an elected DCE expressed in all but one of the focus groups.⁵² Although desirable from a democratic perspective, an elected DCE is insufficient in itself, however. The problem of the concentration of power still remains, potentially leading to the 'strong-mayor' phenomenon where an elected mayor with executive powers dominates the local council (Olowu and Wunsch, 2004: 78). Therefore institutional reforms would also be required to enhance the decision-making powers of the DA and simultaneously reduce those of the chief executive, who could focus on an implementation role.

SUB-COMMITTEES

In principle, the sub-committees play a vital role in ensuring that the Assembly members themselves determine the policies and monitor the actions of the district executive. The sub-committees deal with much of the ongoing busi-

ness of the DA, including those community needs and demands referred to them by individual Assembly members, and make recommendations to the EXECO. Further, given that heads of the 'decentralised departments' attend meetings as non-voting technical advisers and that other relevant individuals can be co-opted as non-voting members, the sub-committees provide opportunities for the discussion of district-level development issues by a range of key personnel. Yet, despite their significance, the condition of the sub-committee system was found to be weak in the districts examined, hardly functioning in one district.

In Asanama, the picture was particularly discouraging. Interviews with convenors indicated that many sub-committees were meeting infrequently and irregularly. For example, the Social Services sub-committee, responsible for water, health and education, had met only once in 2002, twice in 2003 and once by mid-2004.⁵³ The poor condition of the sub-committee system was attributed by some sub-committee convenors to a lack of financial input from the district administration. It was stated that finance was not made available for members' attendance allowances and travel expenses, leading to a reluctance by some convenors to call meetings.⁵⁴ The strong impression in this particular district was that the sub-committee structure was not taken sufficiently seriously nor funded appropriately by those with power in the district administration, headed by the DCE. The extent of the problem was indicated by one convenor's statement that the 'sub-committees are dying', while questioning whether 'the EXECO could be trusted', given its dominance by the DCE.⁵⁵ One outcome is that the role of Assembly members is diminished and executive power is increased, with the accountability of the executive to elected representatives adversely affected.⁵⁶ It has to be asked whether such outcomes are not unwelcome to a district executive, headed by the DCE, who thus remain relatively unaccountable.

In sum, evidence from the two districts has demonstrated that the twofold accountability mechanisms have been undermined by a series of shortcomings and limitations, with indications of centralising tendencies within the district boundaries. A veritable participation-accountability gap has been revealed, with the enthusiasm for local political participation not being translated into making local government more accountable to its citizens. As Goetz and Gaventa (2001) point out, the expression of 'voice' does not necessarily mean that it is either heard or listened to – it can simply be ignored. In such instances, 'empowerment' has certainly not occurred.

6. Local Shortcomings: National Constraints

Let us review the argument of this chapter so far. In exploring both the socio-economic and political dimensions of the relationship between decentralisation and poverty reduction, two main findings have become evident. First, the impact of decentralisation on poverty levels in the districts examined has been limited at best. Second, a participation-accountability gap partly accounts for why enthusiasm for local political participation has not resulted in more responsive and potentially pro-poor local government. A number of local-level shortcomings in accountability mechanisms have been highlighted, with local-level reforms required to strengthen downward accountability, for example, better resourcing of sub-district structures and of sub-committees. But the fact that such reforms are unlikely, and that instead centralisation is occurring at district level, suggests that larger processes are at work and that the shortcomings are symptomatic of wider issues. Therefore this section re-directs attention to the national context and identifies obstacles to positive outcomes in the form of political, administrative and fiscal *constraints*, ones that are inherent in the structure of decentralisation. This analysis is simultaneously compared with that of other analysts of decentralisation and poverty reduction, notably Jütting et al. (2005), who highlight the political, administrative and fiscal *conditions* that facilitate pro-poor decentralisation. The implications of such differing approaches are then discussed more fully in the conclusion.

6.1. Political constraints

Many analysts focus on the importance of political commitment by central government to successful decentralisation (Jütting et al., 2005: 638; Crook, 2003: 85; Vedeld, 2003: 186). Yet decentralisation in Ghana is characterised more by political control than by political commitment, with a key mechanism for the maintenance of such control through the presidential powers of appointment.

The 1992 Constitution retained the system by which the President appoints all District Chief Executives, eschewing the option of an elected DCE, and is the key means through which central government exerts control at district level.⁵⁷ DCEs are upwardly accountable to the appointing authority, not downwardly accountable to the local electorate, and can be used by that authority to implement its desired policies at local level. The partisan nature of the appointment system is blatant and undisguised. When President Kufuor and his National Patriotic Party (NPP) government came to power in January 2001, he terminated the term of office of all existing 110 DCEs and appointed new ones allied to the new ruling party.⁵⁸ Additionally, the tremendous power wielded by the DCE in the district

has been noted. In such ways, the governing party at national level is able to exert considerable control on local politics and development.

The retention in the 1992 Constitution of one-third appointed Assembly members was a further impediment to the democratic nature of local government. The politics of the appointment system was again highly evident when President Kufuor took office in January 2001. All DA appointees had their term of office immediately revoked by the President, despite their term formally lasting until the next district elections in mid-2002. A new set of appointees were put in place, with party loyalists favoured, a blatant travesty of the statement in the Constitution that membership of the District Assembly is non-partisan.⁵⁹ Like the DCE, such appointed members owe their allegiance to the President and the ruling party nationally, not to the electorate locally. Locally, the appointed members ensure a substantial block of supporters for the DCE within the Assembly, especially useful in opposition strongholds, and who often undertake influential roles, such as Presiding Member and sub-committee chairs. The non-partisan nature of the DA system is effectively a myth, but one that serves to conceal mechanisms for ongoing central government and ruling party control.

6.2. *Administrative constraints*

Jütting et al. (2005: 641-42) highlight a clear division of functions between local and central government as a necessary administrative condition for success. Yet fieldwork evidence here suggests that the *nature* of those functions and the *powers* to implement them are also crucial. The two main administrative constraints entail, first, the limited powers and functions of the DA and, second, the lack of influence and control over line departments at district level.

Fieldwork in both districts confirmed the partial nature of the District Assembly's powers. Although the DA's roles and responsibilities may appear significant on paper (Local Government Act 462, 1993), major service delivery remains in the hands of the line departments. For rural communities, the key departments are those of health, education and agriculture. Interviews with directors of these departments confirmed that their lines of control and accountability are vertical to their respective ministries not horizontal to the DA. The DA's formal roles, as outlined in legal provisions, remain illusory, for example, its responsibility to 'coordinate, integrate and harmonize' the activities of *all* development agencies in the district. Interviews with directors of the so-called decentralised departments in both districts indicated that they operated autonomously of the DA, formulating and implementing their own sectoral plans, ones based on national policy guidelines and approved by their respective ministries.⁶⁰ The DA's role in education and health provision is limited and controlled. In education, the DA is respon-

sible for the provision of school infrastructure, financed from its own budget, but with implementation overseen by the district office of the Ghana Education Service (GES).⁶¹ In health care, the DA can provide small-scale infrastructure and is obliged by central government to spend at least 1 per cent of the DACF on malaria prevention and 1 per cent on HIV/AIDS, with such funds frequently channelled directly to the district office of the Ghana Health Service (GHS) for their usage.⁶² The DA can adopt a more pro-active role in the provision of public services through its DMTDP, including co-ordinating activities with the line departments. However, interviews with directors of key departments indicated that such co-ordination generally had not happened. Strategic planning in key sectors remains in the hands of the deconcentrated line departments.

As discussed above, the powers and functions of the DA would increase significantly if and when the 2003 Local Government Service Act (LGSA) is implemented, with current line departments then becoming departments of the District Assembly. Yet significant resistance to the integration of central government departments into the DA system is evident, given the delays since 1988 to achieving such reforms. This reluctance has already led to the opting-out of key departments – health, education, forestry and probably agriculture – from the LGSA.⁶³ Explanation for the delays sometimes focuses on the unwillingness of civil servants to shift to a local government service from a centralised career structure. It is clear, however, that the major political blockage entails disinclination by central government to lose control over its departments and their activities.

6.3. *Fiscal constraints*

Adequate and secure resources for local government, including tax-raising powers, is perceived as the key financial condition for successful decentralisation (Jütting et al., 2005: 642-43). This condition had clearly not been met in the districts examined, with financial constraints perceived by a range of informants as a key source of the DAs' inability to make a significant impact on poverty reduction. Although funds from the DACF have recently increased, the Constitutional minimum of 'five per cent of the total revenues of Ghana' remains limited and subject to central government 'earmarks' over its expenditure, while locally-generated revenue in poor districts is insubstantial and possibly regressive in nature.⁶⁴ Recurrent expenditure accounts for the large proportion of district funds, with little remaining for capital expenditure on development projects.⁶⁵ Such limited fiscal decentralisation has two implications. First, there are severe financial constraints on the delivery of public services by DAs and 'almost guarantees that large numbers of the electorate will be disappointed' (Ayee, 2004: 135). Second, the financial resources over which the district electorate and their

representatives can exert democratic controls are very restricted, while significant government expenditure by the line departments remains outside of *local* democratic processes. In Ghana, as elsewhere, central government may be more willing to decentralise (and offload) responsibilities than to devolve the commensurate financial resources.

In sum, the relatively poor performance of DAs in alleviating local poverty is not simply due to local-level shortcomings, but more a consequence of national-level obstacles. Such constraints could be viewed as due to failings to fully implement decentralisation, for example, the current limitations on DAs' actual powers and financial capacity. The analysis here, however, suggests that such constraints are inherent in the national structure of decentralisation. They reflect not so much implementation *failure* as *success* in the attempt to maintain central government control. The faith in decentralisation retained by most other analysts may be inappropriate if the structures in place are precisely intended to fulfil other purposes.

7. Conclusion: The Politics of (De)centralisation

At the outset, this chapter posed the question of whether decentralisation in Ghana has led to decreased levels of poverty, and, if not, *why* not. Findings on poverty reduction have been largely negative, with decentralisation having a limited and largely insignificant impact on rural poverty in the two districts examined. Such negative outcomes correspond largely with the overall findings of the recent cross-national reviews (see Chapter one, this volume), as well as with other country case studies in this volume. However, aspects of the analysis here differ from the cross-national studies and from conventional wisdom about decentralisation more generally. First, participation is not a sufficient condition for pro-poor decentralisation. Second, the reliance on central government 'political commitment' is misplaced. Third, decentralisation is not a technical exercise, dependent on appropriate 'design', but a political one. In conclusion, these three variations from conventional analysis are discussed, stressing the significance of the *politics of (de)centralisation*.

In accounting for the limited impact on poverty, emphasis was placed on the weakness of downward accountability mechanisms, despite the evident enthusiasm for local political participation. In short, increased participation and 'popular input' into decision-making processes had not led to greater empowerment or 'popular control' of government. Participation is often seen as the key to pro-poor decentralisation, for example, by the World Bank (2001: 108). The Ghana case has demonstrated, however, that participation may be a necessary condition, but it is

not a sufficient one for pro-poor decentralisation. There is no automatic association between decentralisation, participation and more responsive local government, with downward accountability identified as the 'missing link'. The local and especially national *politics* of decentralisation remain critical.

Although explanations for the relative failure initially focused on local level shortcomings, these were regarded as symptomatic of wider issues, with the main obstacles to pro-poor decentralisation identified at national level in the form of political, administrative and fiscal constraints. Such constraints are often perceived, by both donor agencies and academic writers, as due to failures to fully implement decentralisation, with 'political will' and 'political commitment' required on the part of central government. Smoke (2003: 12), for instance, notes that the existence of political will at central government level has 'ubiquitous[ly]' been seen as 'the principal requirement for success' by decentralisation advocates. And, indeed, many of the cross-national reviews stress the significance of central government commitment for pro-poor decentralisation, highlighted by Vedeld (2003: 186) 'as an essential precondition'. Yet, it is paradoxical and somewhat naïve to place one's faith in the commitment of central governments to genuinely devolve power, especially given the truism that governments rarely give up their power voluntarily. The politics of decentralisation are crucial. Central governments decentralise for a variety of reasons, but invariably to promote their own interests and usually inclusive of the retention (and even consolidation) of central powers. Motivations can include extending and strengthening their control at local level, mobilising support for the ruling party in peripheral areas, off-loading responsibilities without relinquishing adequate finance, and enhancing their legitimacy by fostering the *appearance* of being democratic at the local level. Indeed, all such intentions are apparent in the Ghana case to some degree, amply demonstrating the degree of central government control that can remain in purportedly decentralised systems of governance.

Many decentralisation proponents highlight the importance of decentralisation 'by design' rather than 'by default', where 'design' involves its purposeful implementation by governments while 'default' suggests a reluctance to implement, often due to donor pressure (Jütting et al., 2005: 638-9). Yet, in identifying the main obstacles to pro-poor decentralisation in Ghana as national-level *structural* constraints, it is evident that these constraints are inherent in the *design* of decentralisation itself. It is a design that is precisely intended to limit the discretionary authority and the capacity of local government and to maintain overall central government control. It is clear that decentralisation is not a technical exercise but a political one.

The 'politics of (de)centralisation' is pertinent in one final respect. This chapter has suggested that the notion of 'decentralisation from above' is a paradoxical one,

an oxymoron even, given central governments' various manipulations of decentralisation processes. In such circumstances, decentralisation is unlikely to lead to pro-poor outcomes. Prospects for genuine devolution of power, inclusive of strengthened linkages between political participation and accountability, may be more likely when the momentum for such change comes from below. This could occur through mass mobilisation within democratic political parties or through pressure from social movements, in both cases motivated by the aspiration to enhance popular control over government at all levels. Such struggles, initiated by non-state actors, over the nature and type of decentralisation are likely to be necessary in order to establish systems of decentralised governance that entrust downwardly accountable political representatives with the powers and resources to make a difference to local poverty.

Notes

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- 1 A further twenty-eight districts were created through the sub-division of larger ones in July 2004.
- 2 Somewhat paradoxically, multi-partyism was re-introduced by the 1992 Constitution for the presidential and parliamentary elections but not for local elections. District elections were held initially in 1988/89 and subsequently in 1994, 1998, 2002 and 2006, roughly mid-way through the national government cycle.
- 3 Article 16 of the Local Government Act 1993 states that elected Assembly members are required to:
'Meet his [*sic*] electorate before each meeting of the District Assembly'; 'Maintain close contact with his electoral area, consult his people on issues to be discussed in the District Assembly and collate their views, opinions and proposals... and present [these] to the District Assembly'; 'Report to his electorate the general decisions of the District Assembly and its Executive Committee and the actions he has taken to solve problems raised by residents in his electoral area'.
- 4 Local Government Act 1993, Article 17.
- 5 Local Government Act 1993, Article 19 (2).
- 6 There are five statutory sub-committees (finance and administration; development planning; social services; works; justice and security), plus each DA has the power to create others as appropriate.
- 7 Formally the DCE is nominated by the President and approved by at least two-thirds of the Assembly members present [Local Government Act 1993, Article 20 (3)].

- 8 Only twelve (8.8 per cent) of the current 136 DCEs are women (Vieta, 2006: 3). Only ten (7.4 per cent) of the current DCEs do not come from the district in which they serve (Vieta, 2006: 10).
- 9 Crook and Manor (1998: 235) describe the DCE's powers as 'virtually unassailable'.
- 10 Aye (2004: 129) categorises the eighty-six functions into deconcentrated, delegated and devolved functions, with only relatively minor services being classified as devolved, for instance the maintenance of feeder roads, streets, parks and cemeteries.
- 11 PNDC Law 207 (1988) stated that the twenty-two central government departments and agencies would be converted into departments of the District Assemblies, while the Local Government Act (1993) stated that 'There shall be established by Act of Parliament a Local Government Service' [Article 37(1)], and that District Assemblies would establish the departments listed in schedule one [Article 38(1)]. These included health, education and agriculture.
- 12 The DACF is then allocated between DAs on the basis of a revenue sharing formula approved annually by Parliament.
- 13 This ratio would have been double were it not for the presence of two Cuban doctors on short-term contracts. Average figures for sub-Saharan Africa are given as one doctor for every 10,000 patients, in contrast to the 1.4 doctors for every 1,000 people in developed countries (NEPAD 2003).
- 14 The original intent was to construct a baseline survey from existing data of the poverty profile in the districts either five or ten years ago. This was not possible, however, as the required data did not exist at district level. Although surveys had been undertaken, for example, the Core Welfare Indicators Questionnaire Survey 1997 and the Demographic and Health Survey 1998, data had been aggregated up to regional and national levels and was not available at district level.
- 15 The two district capitals comprised the 'more developed' category, both small towns with populations of less than 20,000 people. The other three categories comprised settlements whose deprivation tended to increase as access to trunk roads and size of population decreased. In the context of rural Ghana, the term 'more developed' is used as a relative concept.
- 16 The household questionnaires were administered by two local enumerators from the eight communities, mostly teachers or other professionals. Enumerators undertook a random sample of households, stratified to include different geographical zones, and thus income groups, within the community. One further requirement was to include at least one and preferably two female-headed households in each batch of five questionnaires.
- 17 Focus groups were conducted in the local language, with translation of responses into English by two notetakers. The discussions were organised through the Area Council secretary, with invitations extended to: the Assembly member (1); Area Council representative (1); Unit Committee representative (1); Traditional Authority (Chief, Queen Mother or elder) (1); religious leaders (1 Christian, 1 Muslim); women's associations (2); youth association (1); community-based organisation (1).
- 18 Thirty-one interviews were conducted with a wide range of individuals involved in the District Assembly system, inclusive of Assembly members, central administration officials, and directors of the line departments. Interviewees included women Assembly members in what is a very male-dominated system.
- 19 Almost three-quarters (72.5 per cent) of respondents reported weekly household incomes of less than 200,000 Cedis (approximately US\$22), with an average household size of 6.7 persons. One-third (33.8 per cent) of households had weekly incomes of less than 100,000 Cedis (\$11).

- 20 Interview with convenor of the Women and Gender Sub-committee, Asanama DA, 9 June 2004.
- 21 Interview with Assemblywomen, Bofano DA, 23 June 2004.
- 22 Interviews with District Planning Officer, 23 June 2004, and Assemblywomen, 23 June 2004, Bofano DA.
- 23 Interviews with district officials, June 2004.
- 24 Two DMTDPs have been implemented so far, from 1996-2000 and 2002-04. The change of governing party at the December 2000 general elections led to a delay and two-year gap in the planning process.
- 25 Interview with District Planning Officer, Asanama, 26 May 2004. He stated that the implementation rate of planned projects declined annually in the first MTDP (1996-00), from 80 per cent in the first year to almost 0 per cent by the final year.
- 26 Figures in Table 1 are actual amounts, with inflation not taken into account.
- 27 At national level, DACF transfers totalled 296.67 billion Cedis for 2001, 109.72 billion Cedis for 2002, and 635.80 billion Cedis for 2003, with the figure for 2003 making up for the shortfall in 2002. Averaged out the total transfers for 2002 and 2003 would be 372.76 billion Cedis per year.
- 28 District accounts also show considerable financial outlay under the headings of entertainment/protocol and the (DCE's) residency.
- 29 Stool land is customary or community land managed by traditional leaders (chiefs and elders) on behalf of the community.
- 30 This was confirmed in interviews both with the directors of line departments and with DA officials, notably the District Finance Officers.
- 31 Discussion with official from Decentralisation Secretariat, Ministry of Local Government and Rural Development, 3 April 2006.
- 32 Only Crook and Sverrisson (2001: 10) acknowledge that participation is a 'somewhat imperfect indication of the degree of responsiveness', one that is also dependent on accountability mechanisms.
- 33 In another study, Blair (2000) examined the two concepts of participation and accountability relatively independently. Participation was again linked directly to poverty reduction in a five-stage formula that moved from 'participation' to 'representation' to 'empowerment' to 'benefits for all' to 'poverty reduction' (Blair, 2000: 23), but without reference to accountability. Somewhat separately, various mechanisms of accountability were identified, especially those relatively external to decentralised structures and processes, such as political parties, civil society and the media.
- 34 A similar assumption tends to be made concerning the relationship between participation and empowerment. While 'empowerment' remains an overused and insufficiently defined term, participation and empowerment are often placed together as if the one stems from the other. For example, Jütting et al. (2005: 629-30) assess empowerment through considering levels of 'participation' and of 'local government capacity', where the qualification on empowerment is not so much a disjuncture between participation and empowerment, but whether local governments have the capacity (i.e. the power and resources) to implement pro-poor policies. Similarly, Von Braun and Grote (2002: 73-74) refer to 'participation/empowerment' as if they were one and the same.
- 35 The 1992 Constitution made no substantial changes to the 1988 reforms, while the Local Government Act 1993 (Act 462) provided detailed regulations on the implementation of decentralisation.
- 36 These three means of assessing levels of political participation are similar to those used by

- Crook and Manor (1998: 7): voting, election campaigning and contacting or pressurising political representatives through individual or group activity.
- 37 In Asanama, all forty-eight electoral areas were contested in both 1998 and 2002 elections, though with voter turnout decreasing from 50.8 per cent in 1998 to 41.8 per cent in 2002. In Bofano, the comparable figures for voter turnout were slightly higher at 51.7 per cent in 1998 and 48.3 per cent in 2002. Voter turnout in the two selected districts was higher than both the regional averages (36.1 per cent in Brong Ahafo and 35.1 per cent in Ashanti) and the national average (33.1 per cent) at the 2002 District Assembly elections (Ayea 2003: 35). The decline in voter turnout in the two districts between 1998 and 2002 reflected national trends, with national average turnout declining from 46.1 per cent in 1998 to 33.1 per cent in 2002 (Ayea, 2003: 35).
- 38 Figures for Bofano were not so high. Here, forty-seven out of 106 Units were contested in 2002, down from fifty-seven in 1998. This remains not unimpressive, however, given that one candidate was required on average from every forty-one registered voters just for a Unit election to take place.
- 39 Other studies do not report so positively about the enthusiasm for UC elections. For instance, Ayea and Amponsah (2003: 70-71) report that only 33.8 per cent of respondents voted in UC elections in a survey conducted in three districts in August 2002. This could be partly due, however, to many elections being uncontested rather than electoral apathy towards the UCs.
- 40 One hundred per cent of respondents in Asanama and 92.5 per cent in Bofano.
- 41 These findings are remarkably similar to those of the eight-district survey, where 48 per cent of households said that the Assembly member had never met with constituents (Yankson 2000: 201).
- 42 These findings confirm a number of other studies where decentralisation has led to increased political participation, as noted by Devas and Grant (2003: 308).
- 43 Blair (2000) also examines various mechanisms of accountability, such as political parties, civil society and the media. Rather differently, this study focuses on direct accountability mechanisms between citizen and local state, ones that are more integral to structures and processes of decentralisation in Ghana.
- 44 Educational qualifications ranged from basic education certificates (indicating schooling up to junior secondary school level) to teaching certificates and degrees. As well as farmers and teachers, Assembly members came from other public sector occupations (e.g. health workers) and the private sector (e.g. cocoa buying companies, sawmills), with traditional rulers commonly as appointed members.
- 45 This breakdown was most evident in Asanama, where only four out of thirteen Unit Committees remained functional.
- 46 Ayea and Amponsah (2003: 70) also cite the non-payment of anticipated allowances as a key reason for the 'disenchantment and frustration' of UC members.
- 47 For example, one Area Council in Bofano had been inaugurated in September 2002 after the district-level elections, but had met only once up to June 2004, while another had not met for over two years. Of the two Town Councils (in the district capitals), one was not functional at all, with the Secretary having 'stopped working' due to non-payment of salary, while the other was described as 'hardly meeting'.
- 48 One AC Chair gave this reason as explaining his reluctance to convene meetings.
- 49 See, for instance: Phillips (1991); Rai (2003); Ballington and Karam (2005).
- 50 Interview with Presiding Member, Bofano District Assembly, 17 June 2004.
- 51 For example, Asanama's *Medium Term Development Plan 2002-04* indicates substantial ex-

- penditure on the construction and refurbishment of Assembly buildings and an executive guest house (costing almost a quarter of a billion Cedis), while district accounts (trial balances for 2002-04) show considerable financial outlay under the headings of (the DCE's) 'residency' and 'entertainment/protocol'.
- 52 The exception was one small town from where the current DCE originated.
- 53 Such findings confirmed those of research undertaken by the Brong-Ahafo District Support Project (2004). This found that the sub-committees in Asanama had not held regular meetings over the period June 2002 to April 2004, excepting 'Finance and Administration'.
- 54 Interview with sub-committee convenor, 9 June 2004.
- 55 Interview with sub-committee convenor, 9 June 2004.
- 56 The picture was somewhat better in Bofano, with more regular meetings held and expenses paid. Interviews with convenors of seven sub-committees indicated that all had met at least twice in 2003 and at least once by mid-2004. Meetings were still not frequent, however.
- 57 In its election manifesto of 2000, the NPP stated an intent to introduce an elected DCE. Yet this pledge has not been fulfilled, with the problem of constitutional reform cited, despite the NPP administration under President Kufuor now being in its second term (2005-08).
- 58 Frempong (2003: 193) gives various examples of the closeness of the DCEs to the ruling party, for instance, standing later as candidates in parliamentary elections for the party that appointed them.
- 59 Frempong (2003: 192) also notes that 'appointments have gone to reward the party faithful'.
- 60 Interviews with: District Director of the Ghana Education Service, Asanama District, 7 June 2004; District Director of the Ministry of Food and Agriculture (MOFA), Asanama District, 8 June 2004; District Director of the Ghana Health Service, Bofano District, 21 June 2004; District Director of Ghana Education Services, Bofano District, 21 June 2004.
- 61 The district office of the GES inspects and reports on the state of school infrastructure, thus guiding the prioritisation of the DA's building and repair programme. Interview with the District Director of the Ghana Education Service, Asanama District, 7 June 2004.
- 62 Interview with the District Director of the Ghana Health Service, Bofano District, 21 June 2004.
- 63 Legislation was passed in the 1990s, notably the Education Service Act and the Health Service Act, that contradicted the intentions of a decentralised civil service and kept these sectoral services under the control of their respective ministries in Accra (Aye 2004: 140-1).
- 64 The Kufuor administration pledged to raise the constitutional minimum to 7.5 per cent, but again this has not been implemented.
- 65 Crook and Manor (1998: 267) reported that 85 per cent of DA funds in Ghana were expended on recurrent expenditure in 1991.

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5 The Impact of Decentralisation on Poverty in Tanzania

Meine Pieter van Dijk

1. Introduction: What to Expect from Decentralisation?

Decentralisation is an important part of political and administrative reform in many countries, including Tanzania. According to Lee and Gilbert (1999), an active decentralisation policy is carried out in sixty-three of the seventy-five developing countries with more than 5 million inhabitants. The expectations of the political benefits include a strengthening of the democratisation process leading to new initiatives at the local level. Another important expectation is that decentralisation will lead to a reduction in rural-urban disparities through providing employment and basic social services at the local level and thus diminish the high rate of rural-urban migration. This paper focuses on the extent to which decentralisation to both regional and local levels has contributed to the economic dynamics of the country in general and how it affects poverty in different regions of Tanzania in particular.

More power is now vested at the local level in Tanzania. Decentralisation may provide opportunities to local people to take initiatives and to formulate their own priorities. They should make their own participatory plans and prepare programmes, develop economic, social and environmental policies and generate more local revenues. Tanzania has a history of both centralisation and decentralisation trends. Prior to 1972 all sectoral ministries and the development planning process were centralised. In fact local governments were abolished in the early 1970s and re-introduced in 1982. However, a programme for enhancing the effectiveness of local government was only introduced in 1994.

This contribution is divided into seven sections. Following this introduction and a theoretical section in section two, a brief history of decentralisation in Tanzania is provided in section three. In section four, the local government reform process is examined, while section five takes a closer look at the responsibilities of the different levels of government, before trying to assess the reality of

decentralisation in section six. Here an effort is also made to test the different theories of decentralisation, while finally in section seven some conclusions are drawn.

2. The Theoretical Framework

Decentralisation policies can provide economic opportunities for local governments and entrepreneurs (Van Dijk, 2006b). It is perceived as important for creating the conditions for the diffusion of economic growth at the local level, focusing on the enabling role of local government (Helmsing, 2000). It is claimed that decentralisation can help in three ways:

- ✦ It provides local people the opportunity to take various initiatives;
- ✦ It generates local taxes, thus making money available for local investment by local government. However, too much local tax collection can also work as a disincentive for the private sector;
- ✦ It allows local governments to develop policies to undertake more development activities.

These claims are often not supported by empirical evidence. Many other factors are at play simultaneously and there is often a difference between how the rules of the game have been formulated and how the game is played (for Ghana see Laryea-Adjei, 2006). This contribution focuses on the results of decentralisation and in particular on the effects of decentralisation on poverty reduction. Besides the expectations mentioned (the evidence is presented in 6.1. and 6.2.), three other issues are examined:

- ✦ Can decentralisation contribute to poverty alleviation and reduce rural-urban disparities (2.1. and 6.3.)?
- ✦ What type of decentralisation can be found in Tanzania (2.2. and 6.4.)?
- ✦ What is the role of the urban or regional managers in the decentralisation process (2.3. and 6.5.)?

2.1. *Poverty alleviation through income transfers, service provision or employment of opportunities?*

Tanzania has undertaken important steps in the field of decentralisation. The country has been growing at more than 6 per cent per year during recent years. In this chapter we want to analyse what the effects have been on poverty in the different regions. The research is part of a larger project (Van Dijk, 2006a). The issues addressed in that study were: why did poverty alleviation happen in Dar es Salaam and hardly in the rest of the country? What are the transmission mecha-

nisms distributing the positive effects of economic growth over different cities and regions and how does this economic growth affect the poor in other cities and rural areas? One of the explanations pursued was that growth was distributed through decentralisation, which contributed to urban dynamics and affected poverty in this way. The consequences for Dar es Salaam and the capitals of the Kilimanjaro and Arusha region were analysed in particular, putting Tanzania in the context of the globalisation process. Regions do not just depend on the capital and neighbouring regions, but also on what happens in neighbouring countries and what comes and goes to countries as far away as China. This globalisation process affects the competitiveness of its formal and informal sectors, but it can be shown that globalisation also provides new opportunities.

Poverty alleviation at the local level is possible in three different ways: income transfers, developing services and infrastructure, or creating employment at the local level. The importance of these instruments will be reviewed in the empirical part of the chapter. The grants for local governments described in section 6.3 are examples of income transfers, as are the remittances analysed in that section. Parts of these grants are meant for infrastructure such as roads and water supply and are examples of the second way of reaching the poor. We attach a lot of importance to the third type of instrument, which can be used by urban and regional managers, if given enough autonomy to care for the regional and urban economy. Such efforts to create employment are described in sections 6.2 and 6.3.

2.2. *Deconcentration, delegation or devolution, monopoly or pluralism?*

We distinguish two main approaches to analysing decentralisation in developing countries, which can be combined. In the first place the Type-Function Framework (TFF) by Cheema and Rondinelli (1983) and secondly the Administrative Design Framework (ADF) developed by Cohen and Peterson (1999).

Cheema and Rondinelli (1983) provide the following definition of decentralisation: 'The transfer of authority and responsibility for public functions from the central government to subordinate or quasi-independent government organisations or the private sector'. Cheema and Rondinelli (1983) define three forms of decentralisation: political (giving the local level more power in decision making), fiscal (allowing it to have adequate revenues) and administrative decentralisation (redistributing administrative authority), which tend to come in certain combinations. The TFF analyses decentralisation according to forms and types (deconcentration, delegation and devolution). By this approach, decentralisation is classified by forms on the basis of objectives: political, market, fiscal, spatial and administrative. The combination of forms results in certain types of decentralisation. The TFF argues that various combinations of the main forms of decen-

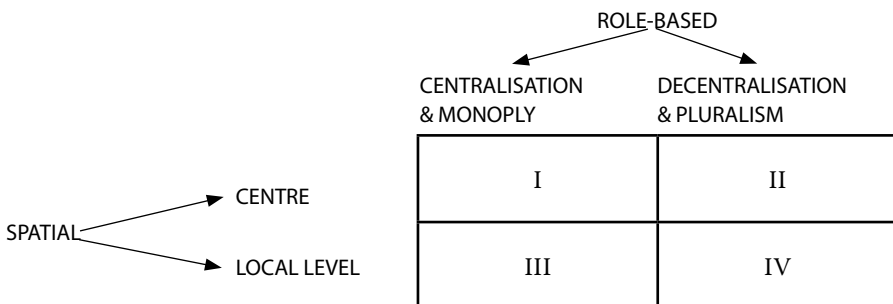
tralisation, political, administrative and fiscal decentralisation, result in different types of decentralisation: deconcentration, delegation and devolution.

The ADF identifies ‘states’ that describe how concentrated the roles of government still are:

- ✦ Institutional Monopoly, or centralisation, where roles are concentrated at the spatial centre in an organisation or institution;
- ✦ Distributed Institutional Monopoly, or decentralisation to local level governmental institutions or private sector firms and organisations through deconcentration, devolution, and/or delegation, where roles are distributed spatially but remain concentrated in one organisation or institution;
- ✦ Institutional pluralism, or decentralisation through deconcentration, devolution, and/or delegation, but where roles are shared by two or more organisations or institutions, which can be at the spatial centre, distributed, or a combination of both.

The ADF suggests that various combinations of roles in service provision result in an institutional monopoly, distributed monopoly or pluralism at centralised or decentralised levels of governance. A combination of these two frameworks provides a conceptual framework for the analysis. It implies that the forms and types of decentralisation shape central-local relations. The distribution of roles determines whether service provision, for example, is mainly through monopoly or plural arrangements (see Figure 1). The resulting institutional arrangements influence the performance of local governments in the provision of services. For example, where pluralism emerges at the decentralised level of government, it will yield better performance than in the case of distributed monopoly (Laryea-Adjei, 2006). The underlying idea is that decentralised decision-making can contribute considerably to improving the provision of urban services.

Figure 1: Theoretical states of decentralisation and distribution of roles



Source: Laryea-Adjei (2006)

The theoretical framework developed by Cheema and Rondinelli (the Type-Function Framework, or TFF) is more structure oriented, while the Administrative Design Framework (ADF) suggested by Cohen and Peterson (1999) emphasises the basic principles of administration (accountability, effectiveness and efficiency) and focuses more on the roles of different levels of government.

2.3. *The autonomy of the urban/regional manager*

The new public management theory (or NPM) is often advocated as an approach to making public organisations function better. Autonomy and accountability are key concepts of the NPM theory, a theory that is revolutionising public management by putting the emphasis on contracts and stressing the importance of market orientation and customer orientation. Van Dijk (2006b) evaluates decentralisation from an urban manager's perspective and stresses that autonomy means being able to formulate and implement economic, social and environmental policies at the local level. On top of that, the urban manager needs to be able to generate the financial means necessary to implement the strategy developed in cooperation with the major stakeholders. It is suggested to check whether the urban or regional managers (functioning just below the political and highest administrative level in the regions and districts), given their importance in the decentralisation process, can develop and implement local economic, social and environmental policies. Finally, the question is: do these lower levels of government have access to the necessary financial means? Only if he or she has some autonomy with respect to these challenges can an urban or regional manager be fully effective at lower levels of government.

3. **A Short History of Decentralisation in Tanzania**

Decentralisation in Tanzania has a somewhat unusual history. Paradoxically, local government was abolished in 1972 by the so-called 'Decentralisation of Government Administration Act', replacing local government with district and urban development councils and regional development councils. These bodies were bureaucratic organisations dominated by centrally appointed officials. In 1982, local government was re-established in Tanzania through a series of Local Government Acts. A policy of decentralisation was subsequently introduced in the 1990s, linked to the civil service reform programme, with more power devolved to local authorities who became responsible for the provision of many public goods and social services.

Decentralisation was effectively initiated by the Regional Administration Act No. 19 of 1997. Through this Act, the government devolved more powers to local government authorities (LGAs) through the reduction of central government presence at the regional level and provided resources to strengthen and enable the LGAs to assume full responsibility for socio-economic development. The decision to delegate powers and decision-making process to LGAs entailed fundamental changes, ones which required central government to establish supportive frameworks and programmes. In view of this, the government introduced two major reform programmes under its Public Sector Reform Programme: the Regional Administration Restructuring Programme (RARP) and the Local Government Reform Programme (LGRP), discussed in detail below.

Local governments collect the development levy, land tax and a 'cess' (an additional turnover tax or levy on the value-added tax of 0.3 per cent), while for national government the income, consumption (VAT of 20 per cent) and import duties are very important. The Ministry of Finance is responsible for tax reform. The tax system has also been made slightly easier by abolishing a number of taxes or taking them away from local government and by providing an income transfer to local governments instead. Central government also removed the stamp duty, but it came back under the income tax. The value added tax (VAT) is a hot issue because business people consider the rate too high. People do not see that it is deductible. However, local governments have done a better job in tax collection since 1998 (Heymans and Kumar, 2002).

4. The Roles of Different Levels of Government

We distinguish between the roles of different institutions and look at their functions and responsibilities before assessing how the system actually functions. Often there is a discrepancy between the system on paper and how it works in practice. Like most countries, Tanzania has the system of *trias politica*: there is the legislature, the judiciary and the executive branch. Central and local governments form the executive part. The executive part of the central and local governments operates at various levels. The village level is a corporate body in Tanzania, meaning they can pass by-laws; but the wards, which are just an administrative arrangement, are not. There are two political levels in Tanzania (the elected politicians at the national and the local council levels; some of the elected councillors represent wards) and three administrative levels (the national bureaucracy, the regional and local level bureaucrats). The division between a council and a ward is only an administrative arrangement. The actual relationships between central government institutions and local government structures will be discussed in section six.

4.1. *The national level*

At this level, the president, who is also the commander-in-chief of the armed forces, is head of state. The vice president, the prime minister, union ministers and ministers, who form the cabinet, support the president. The sector ministries are headed by ministers and are mainly responsible for policy formulation, planning and implementation of sector development plans. As an example, the new poverty programme of the government has singled out malaria, tuberculosis and HIV/AIDS as priority diseases to fight. In the framework of the Millennium Development Goals, maternal and infant mortality will also get some attention. However, the health systems in the districts are very important and the challenge is how the national level can provide incentives to the local level to implement such programmes.

4.2. *The regional level*

The Regional Commissioner (RC) is the representative of the president at the regional level. The Regional Administrative Secretary (RAS), who is the head of the Regional Administration Secretariat, supports the RC. Both the RC and RAS are central government appointees. The RC oversees law and order and good governance. The Regional Administration Secretariat is very small and has just a regulatory function. Its role could be summarized as:

- ♦ Interpreting national policies and plan guidelines to the various actors based in the region;
- ♦ Coordinating the planning and budgeting exercise in Local Government Authorities (LGAs) within the regions;
- ♦ Supporting LGAs to effectively and efficiently discharge their responsibilities and improving public service delivery.

One notes the emphasis on law and order and interpreting national policies to determine their impact for the local level. However, law and order and good governance are important and the RC supports the LGA to discharge its responsibilities. Further discussion of the RAS is provided in section five.

4.3. *The local level*

Tanzania has rural and urban districts. The District Commissioner (DC) is assisted by the District Administrative Secretary (DAS), who heads the district administration. Again, both are central government appointees. The DC coordinates and supervises all government functions at the district level, which mainly centres on the maintenance of law and order. Before the re-introduction of LGAs,

the office of DC was the centre of development activities within the district. With the re-establishment of LGAs in 1982 and 1984, the role of the DC's office changed from focusing on development activities to the maintenance of law and order.

Each municipality is divided into divisions, which are in turn divided into wards. Wards are divided into villages in the case of rural areas and 'mata' in the case of urban areas. Moreover, villages are divided into hamlets, which are the smallest units. The divisions are the lowest organ under central government structure and are headed by a Division Secretary (DS), another central government appointee. One of his/her duties is to assist the DC in ensuring the maintenance of law and order in the division. A geographical unit is given the status of city or village if they can organise themselves. But becoming a village also means having more autonomy. If the region was strong that would defeat the idea of decentralisation. The cities, given their role in development, should be strong.

The local government is headed by the Minister of State responsible for Regional Administration and Local Government under the President's Office, which was created in 2000. The major responsibilities of this President's Office with respect to local government are to:

- ♦ Prepare policies on regional development for the regions in general;
- ♦ Manage and administer local government affairs at the national level; and
- ♦ Co-ordinate the activities of the Regional Secretariats and Local Government Authorities in the country.

There are ninety-eight Rural District Councils (RDCs) and twenty-one Urban Councils (UCs) in mainland Tanzania (2004). The two types of councils do not differ much with respect to functions, organisations and committee structures. The RDCs operate at three levels: district, ward and village. The general public elects the members of District and Village Councils every five years. The RDCs are considered as appropriate focal points for planning, implementation, evaluation and monitoring of development programmes since local communities (and villages) are represented at this level through their elected representatives. Also it is at this level where priority needs and constraints on development can be identified and solutions be formulated. In addition, sector departments are brought together at this level under the chairmanship of the appointed District Executive Director, an appointed official who can help to coordinate activities. The set-up is part of a planned process where the centre is trying to stimulate initiative at the regional level, but at the same time tries to control the process from above.

There are about 580 wards in the country (mainland Tanzania). Ward Development Committees (WDCs), under the chairmanship of a Ward Executive Secretary (WES) assisted by Ward Extension Officers (WEOs), are responsible for

scrutinising and consolidating project proposals from villages within their jurisdiction into Ward Development Plans (WDP) before submission to their respective District/Urban Council. Many of the WDC's function properly and they are often the only decision-making bodies in the rural areas. The local government grant system is helping them. They sometimes get directions to undertake certain activities. *The Tanzanian Guardian* (11 July 2005) mentioned for example that wards were 'directed (by the RC) to build secondary schools in Lindi'.

There are over 8,000 villages in the country. A village is the lowest level in the hierarchical administrative set up of the LGAs. Each village is supposed to have a village council, whose responsibilities include the formulation of a socio-economic plan for the entire village and supervision of its implementation. The village plans are submitted to the WDC for scrutiny and consolidation into the WDP.

5. Local Government Reform Programmes

Higher regional growth requires the upgrading of technology, the development of human resources and development and reforms at the local government level. So far most of the reforms have concentrated on government at the national level. The original public reform programme included civil service reform, parastatal sector reform and financial and planning system reform. The Civil Service Reform Programme included five components: ministerial organisation and efficiency reviews, pay reform, personnel control and management, administrative capacity building, retrenchment and redeployment of staff. A sixth component, focusing on local government reform was added in the 1994 Action Plan and was smaller than the other components. The reform process started by 1996 and over ten years later we can try to assess some of its effects.

Implementation of the Regional Administration Restructuring Programme (RARP) mentioned above has been completed. The Local Government Reform Programme (LGRP starting in 1999) is still being implemented. The Regional Administration Secretariats (RASs) are expected to have two major roles, namely an administrative role and a development role. The administrative role of the regional secretariat encourages the maintenance of peace and order in the region and the administration of the internal operations of the office. The development role is the main function of the Regional Administration and focuses on supporting capacity building within LGAs in order to improve service delivery, both efficiency and effectiveness.

Thus, the Regional Administration Secretariat is expected to provide the following services (Van Dijk, 2006a):

- ♦ Management support services which focus on areas of local government ad-

ministration and finance, planning and economic analysis, legal matters, auditing and community development;

- ♦ Economic development supports services that focus on production-related activities in agriculture, livestock, commerce, industry and natural resource sectors;
- ♦ Physical planning and engineering services which focus on support to infrastructure and management activities entailing support for and regulation of technical designs, surveys, civil engineering and land development; and
- ♦ Social sector support services which focus on development activities in the health, education and social welfare sectors in the regions.

Under the LGRP, the Tanzanian Government formulated and endorsed the vision of the future of the Local Government Authority (LGA) system in 1996. The features of the vision, as elaborated in the Local Government Reform Agenda of 1996-2000, were:

- ♦ Largely autonomous institutions, with freedom to make policy and operational decisions consistent with government policies without interference by the central government institutions;
- ♦ Strong and effective institutions, which possess the resources and authority necessary for effective performance of mandated roles and functions;
- ♦ Democratically governed, whereby their leaders are chosen through a full democratic process;
- ♦ Fostering participatory development by facilitating the participation of the people in planning and executing their development programmes, similarly fostering partnership with civil groups;
- ♦ Reflecting local demands and conditions that take into account the demands on its service by the local people and the socio-economic environment prevailing in the area; and
- ♦ Conducting their activities in a transparent manner and being accountable to the people.

Consequently, the overall goal of the LGRP is to improve the quality of and access to public services provided through or facilitated by LGAs. There are several components, each of which aim to contribute to the achievement of this goal. The objectives of the components include:

- ♦ Governance: to establish broad-based community awareness of and participation in the reform process and to promote principles of democracy, transparency and accountability. Activities to improve governance are undertaken with the Zonal Reform Team of the local government.
- ♦ Restructuring of local authorities: to increase the effectiveness of local authorities in delivering quality services in a sustainable manner.
- ♦ Finance: to increase the resources available to local authorities and improve

the efficiency of their use.

- ♦ Human resources development: to increase the accountability and efficiency of human resource use at local authority level.
- ♦ Institutional and Legal Framework: to establish the enabling legislation, which will support the effective implementation of the reform measures.

The launch of the LGRP in 1999 was a promising sign that the central government is gradually devolving more power to LGAs and even supplies the necessary finance. The LGRP deals with the transformation of the local government system. The purpose is to improve services for the poor. The major areas of the programme are education, health, roads, water and human development. The programme helps to restructure the organisational structure of local governments and has a special financial support component for local government, which works with grants, not dictated by the centre, but based on priorities planned by the people, reflecting their priorities.

The Local Government Support Project (LGSP) was created in 2002 to finance decentralisation. It receives support from the World Bank and other donors. This financial support entitles donors to sit on the steering committee, which meets every six months. They are folding their programmes into budget support. The LGSP can give grants. In principle the money is distributed equally, on the basis of population, (70 per cent), poverty (20 per cent) and size/area (10 per cent). For the second half of 2004, 50 per cent of available finance went to the councils and 50 per cent to the village level.

The LGRP undertook studies on financing local government (for example, Franzsen et al., 2002; Franzsen, 2004). Initially, the programme started with twenty-four local governments, trying to enhance their capacity to collect more money. Secondly, the programme then discussed how to share grants from the central government on a fairer basis. A formula has been developed, based on the level of education, health, agricultural and road development and available drinking water. The programme wants to make this formula more transparent, engender realistic planning and help local governments to determine their own priorities. It boils down to a systemic reform and the programme also helps with revenue enhancement.

There is also a local government grant system, which can help local governments financially. The LGSP can provide capital grants and capacity building grants. If a city or local government does not qualify at the present time, it may receive technical assistance. On top of this money there is also the Tanzanian Social Action Fund, which is independent, but can help financially. The LGSP can also provide an analysis of the situation and suggest training components to deal with the issues that emerge. The project has a website, www.poralg.go.tz, and there was a predecessor project, including private sector development in water

and electricity. Solid waste is also an activity which the project supported, for instance by providing vehicles for emptying pit latrines. The LGSP helped to change the formula for grants, with 70 per cent based now on population, 10 per cent on area size and the rest on the poverty level.

Besides the LGSP, there is also the Local Government Capital Development Grant (LGCDG) project. Several donors are development partners in the project. They participate in the board meetings, which are held on a quarterly basis. There is also a local government technical committee and a steering committee, both meeting quarterly. They help them to make well-informed decisions, and the steering committee approved the first release of funds in the first half of 2005. The grants of the local government urban sector rehabilitation project are distributed over the country.

The LGCDG project remains ongoing, with reviews every three years. The project also supported the development of strategic plans at the local level and the citywide plan has been published more recently. This was promoted in Dar es Salaam under the Sustainable Cities Programme of the UN Habitat Organisation, which started in 1992. These initiatives certainly help to make finance available at the local level for development activities. They contribute to spreading development in Tanzania as was shown for the three municipalities of Dar es Salaam and in two regions: Arusha and Kilimanjaro (Van Dijk, 2006a).

6. The Evidence: What Actually Happens in Tanzania

Opinions on the effects of decentralisation differ very much. Few people consider it a major driver for change, if only because it has been in place for a relatively short time. Can decentralisation stimulate local governments to improve their development efforts? We will now try to evaluate decentralisation in Tanzania, using the criteria formulated above. As mentioned, many benefits are expected from decentralisation, in particular greater democratisation and new initiatives (6.1), improved management at the local level (6.2) and a reduction of rural-urban disparities (6.3). Evidence will be presented on these three points in the following three sub-sections.

6.1. *Democratisation and new initiatives?*

The implementation of the decentralisation strategy in Tanzania after 1997 was not totally satisfactory (Steffensen et al., 2004; Mitullah, 2005). Many shortcomings were noted, partly because central government continued to maintain a strong presence at regional level. However the process has strengthened the de-

mocratisation process by introducing mechanisms of accountability and by forcing local governments to compete for funds.

There are advantages and disadvantages to decentralisation. Regions and districts need an economic basis to support decentralisation. However, it is always preferable to make local officials responsible and accountable through elections. The good thing is that the politicians now know they will be held accountable for what they have promised. In addition, the new president appointed a large number of regional leaders after coming to power in 2006, replacing a large number not considered clean or effective. In August 2006 a meeting of regional leaders was held for the second time in Arusha. The president delivered an important speech and this event shows that the national authorities are taking decentralisation more seriously. The president addressed the meeting for two hours suggesting a code of conduct, which made it very explicit that a great deal is expected from these regional leaders. The Arusha meeting is highly relevant and will get a follow-up. His speech and the suggestions made, reproduced in the local press, concerning the importance of decentralisation provided political support for people active in District and Village Councils.

Other examples of new initiatives are as follows. Since their creation the three municipalities in Dar es Salaam have been active in developing economic policies, for example providing land and infrastructure. Other local governments have been able to do something about solid waste collection. One of the most remarkable achievements of Tanzania is the improved accountancy system for decentralised projects. One problem was that many of the most qualified people were at the central level. However, the Ministry of Finance has now trained 400 accountants for auditing rural development projects.

6.2. *Improved management at the local level?*

Some argue that there is not enough infrastructure outside the capital to allow economic take-off. Infrastructure delivers inputs to farms, helps to market agricultural produce, distributes raw materials and facilitates both domestic and international trade. There is a direct link between economic development and the growth rate of infrastructure. The rehabilitation of physical infrastructure, particularly the trunk and regional roads under the Integrated Road Programme (IRP) after 1997 significantly improved marketing networks. Recently the government has been working on the privatisation of the railroads, which will hopefully lead to improved functioning and could also be a big boost for the harbour of Dar es Salaam and links with the hinterland. Although initiated by the national level, infrastructure is on the top of the list of priorities of the local governments.

A lot of money is spent in Tanzania on improving infrastructure and transport (World Bank, 2006). Transport contributes to poverty alleviation by assuring cost-effective transport of goods and people. It also links the country to the global economy and assists neighbouring landlocked countries to connect to the world. The World Bank (2006) provides an overview of the transport infrastructure and its management. One can observe more infrastructure being built and improved transport to and from rural areas, thus contributing to their development (see also Tables 1 and 2).

The Agriculture Sample Census 2002/03 (National Bureau of Statistics [NBS], 2006) shows some improvement in assets in the rural areas. The higher levels of regional economic growth in recent years are related to decentralisation (Table 1). They are the cumulative positive effects of the infrastructure built by different levels of government and of the higher levels of expenditure of local governments. Together these factors have contributed to higher regional growth figures. Regional budgets and tax revenues give an indication of how much is spent in different regions (Table 2). However, there is also direct central government support to regions, for example by setting up offices in specific regions.

An effect of decentralisation is that more regional initiatives are taking place as has been shown by a comparison between Arusha and Kilimanjaro regions (Van Dijk, 2006a). Picking two regions in the north led to the conclusion that the Arusha region benefits more from decentralisation because it is better managed. The region is not only benefitting from tourism and migration into the region, but also from agriculture and trade links with Kenya and Uganda. Wheat, coffee and flowers (ten Dutch horticulturalists and at least one Frenchman) plus mining can all be mentioned, although the latter concerns mainly some small-scale activities. Tourism is an activity which takes place outside Dar es Salaam. The continuously increasing number of tourists has had a positive impact on demand for rural goods and services.

6.3. *Reducing rural-urban disparities?*

The Economic Survey 2004 (United Republic of Tanzania [URT], 2005) reports on regional inequalities by giving the regional distribution of projects coming through the Tanzania Investment Centre. It indicates that Dar es Salaam region led with 262 projects, followed by Arusha with seventy-nine projects. Other regions that attracted investors were Kilimanjaro (twenty-one projects); Mwanza (twenty); Mtwara (nine); and Shinyanga (eight); Morogoro, Mbeya and Iringa regions, registered seven projects each; Pwani, Lindi and Mara five each; Tanga region registered four projects; Dodoma, Kigoma and Tabora two projects each; and Kagera, Rukwa and Manyara one project each; while Ruvuma and Singida

did not get any projects. Some registered projects, however, have branches in more than one region. The list shows a strong concentration of projects in just a few regions. Table 1 below gives the per capita income figures at current prices for the five regions mentioned.

Table 1: Per capita income data for the five regions at current prices

In thousand T.Sh. per year.

Region	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Arusha	61	74	96	124	149	177	201	227	252	279	304	294	356
Dares-Salaam	142	171	226	267	311	371	435	492	518	556	589	616	634
Kagera region	32	39	50	65	79	95	109	123	140	150	161	225	227
Kigoma	32	41	53	68	82	99	113	127	134	155	126	205	206
Kilimanjaro	40	47	59	74	86	101	117	132	139	153	255	307	376

Source: National Bureau of Statistics (2006).

The national accounts of Tanzania (NBS, 2006) give the regional per capita GDP at current prices from 1992 until 2004 (Table 1). In 1992, the Kagera region had the lowest per capita GDP (32,024 TSh.), while in 2004 Kigoma scores lowest (206,359 TSh.). More importantly Dar es Salaam's per capita income in 1992 was four-and-a-half times the per capita income of Kagera, while in 2004 its per capita GDP was only three times that of Kigoma, and less than three times that of Kagera, suggesting a more equal income distribution and a substantial growth of per capita GDP in current prices in the different regions, due to decentralisation and economic growth. As we will show in Table 3, remittances from rural to urban and from urban to rural areas also contribute to regional and rural development. The Kilimanjaro region scores relatively well, partially because a decreasing population is using the same quantity of resources and receives considerable remittances.

What more do we know about the financial flows to the local governments? How much donor support gets beyond Dar es Salaam? The LGRP has published financial statistics for the period 2000-2004 that give an impression of the importance of grants and own sources of revenue for the Arusha and Dar es Salaam regions, which are reproduced in Tables 2a and 2b. Decentralisation has certainly contributed to the rapid development of the Arusha region as can be noted from the increased revenues from grants and different taxes.

Table 2a: Grants and own sources of revenue for Arusha*In thousand T.Sh. per year.*

Category	Arusha			
	2001	2002	2003	2004
Education grant	5961112	8362870	9073650	4727457
Health grant	1234230	1127381	1622756	1071726
Road grant	357298	479867	474594	60407
Water grant	103948	96406	144706	125241
Agric. grant	23179	394313	432321	78421
Local adm. grant	516785	632272	611336	583298
Other grants	656517	1332014	1634541	1360326
Basket funds	417212	4427109	1532410	1762506
Compensation	0	0	452970	412704
Total grants	9270281	16852232	15979284	10182088
Development levy	389568	341927	60048	0
Property tax	208392	392318	272161	250970
Other levies	170366	167106	125009	42242
Service levies	196629	150332	316637	274337
Land rent	1848	21464	7833	44717
License fees	701619	655730	752647	269037
Various charges	271670	258517	274624	304158
Other	749375	185220	331633	22881
Total Own Revenue	2689466	2172614	2140593	1158342
Grand Total	11959747	19024846	18119878	11340430

Source: United Republic of Tanzania (2005).

Tables 2a above and 2b below also show that the most important grants to local governments are for education, but the grants can vary substantially over the years. The total amount of grants is important, however. It reaches between four and nine times the own sources of revenues in Arusha, while the total of grants is between two and one-and-a-half times the own source revenues in Dar es Salaam.

The total financial resources for the Dar es Salaam region are only two times what the Arusha region can spend. The most important own source of revenue in Arusha is the development levy (until 2004) and currently different charges, while the most important own source of revenue in Dar es Salaam is service levies and other levies, with licence fees and permits in second place. Finally, one notes

Table 2b: Grants and own sources of revenue for Dar es Salaam
In thousand T.Sh. per year.

Dar es Salaam				
Category	2001	2002	2003	2004
Education grant	8106223	10508917	12292088	5504412
Health grant	2181286	2585499	2697401	1352899
Road grant	534870	550636	354549	1327925
Water grant	140741	292658	184465	115733
Agric. grant	52692	54365	47324	22848
Local adm. grant	448451	622851	1387778	345800
Other grants	1371969	5155903	2930478	1076065
Basket funds	1231144	1613886	3011175	699367
Compensation	0	0	1333056	1158558
Total grants	14067376	21424716	24238314	11603607
Development levy	2045401	1995142	859328	0
Property tax	1514026	1662982	1583749	1197029
Other levies	525751	567769	499471	155035
Service levies	4044272	4519950	5317695	2804136
Land rent	0	0	0	0
License fees	4014847	4699216	4923033	1339991
Various charges	1038080	1590824	1759498	551417
Other	422931	649800	513118	489136
Total Own Revenue	13605308	15685684	15455892	6536743
Grand Total	27672683	37110399	39694206	18140350

Source: United Republic of Tanzania (2005).

that there are a large number of targeted block grants and that there are many different own sources of revenue. Instead of continuing with so many different sources of revenue, the system may benefit from more focus, introducing for example a single development or property tax.

Urban-rural income transfers take place, although on a limited scale. The effects on the income distribution between the rural and urban areas can be seen in Table 1 and Table 4. The development of infrastructure and services in the regions is also happening, although only on a limited scale, while the government's role in creating employment opportunities is even more limited. The following table gives an impression of remittances.

Table 3: Remittances as a contribution to total monthly income per household

Source/Location	Dar es Salaam	Other urban	Rural	Mainland Tanzania
Remittances	3,664	3,165	2,719	2,835
As % of total income	3.5	3.2	2.1	2.4

Source: National Bureau of Statistics (2002).

The figures are relatively low, but this is partially because information on remittances is difficult to collect (do people remember all the remittances received and are they willing to disclose them?), and partially because the household budget study only publishes net amounts. The positive effects of decentralisation are the result of a combination of improved infrastructure and service delivery and some local employment creation due to higher government expenditure and more liberal economic policies.

6.4. *Deconcentration, delegation or devolution, monopoly or pluralism?*

Central government continues to maintain a strong presence at the regional level. The process of decentralisation was originally administrative deconcentration to a large extent, where the Regional Administration Secretariat had an important role in keeping law and order. At the same time there seems to be legal and sectoral centralisation. Cohen and Peterson (1999) draw attention to one form of decentralisation, which they call distributed institutional monopoly. The latter refers to a situation where roles are distributed spatially but are still concentrated in one organisation or institution (quadrant III in Figure 1, or the 'decentralised monopolist'). OECD (1996) argues that decentralisation in Africa in the 1970s meant deconcentration of the national administration and strengthening of the regional administration. In countries with a one-party government, power had often been centralised and decentralisation was only promoted as a reaction to the economic stagnation of the 1980s, after the oil and debt crises. However, locally-elected bodies tend to have limited capacity and funds and were often unable to carry out the functions transferred to them. How much autonomy do urban and regional managers really have? This is the topic of section 6.5.

6.5. *The autonomy of urban/regional managers*

ECONOMIC POLICIES

Are local authorities formulating economic policies at the district level? Most experts interviewed noted that this is desirable, but not yet the case. Most regional officials do not seem to consider this as their responsibility yet. However, there are big differences from region to region as far as the formulation of local economic policies and the development of local economic activities is concerned, as can be illustrated by the comparison between the Arusha and Kilimanjaro regions, where the former promotes economic activities in a more systematic way and with more success. However, promoting economic activities is not yet a policy at the local level, whereas supplying more facilities/services provision is.

As far as economic policies are concerned, the local governments implement the policies formulated at the national level, but also come up with their own ideas, such as raising their own taxes or creating boarding schools. How to do this is a local decision. It may go as far as deciding what to grow, for example, the choice to go for developing horticulture in the Arusha region. In particular local governments in Dar es Salaam have initiated some local economic development policies within the national development policy, which may provide an example for the regions.

Decentralisation resulted in more competitive municipalities, for example in Dar es Salaam. However, also the example of Arusha doing much better than the Kilimanjaro region is an illustration of what is possible within the framework of decentralisation. It managed for instance to attract a number of international organisations, new firms and foreign investors. Finally it can be expected that decentralisation will lead to better regional and urban governance if the meetings of regional leaders continue.

SOCIAL AND ENVIRONMENTAL POLICIES

Do local governments also have the autonomy to formulate social and environmental policies? No: at the moment the local governments implement social and environmental legislation, but have no local social and environmental policies. However, Tanzania has a tradition of pro-poor rural policies and that may start to pay off (Owen and Teal, 2005). Although the local governments mainly implement national policies, they could pass their own by-laws at the local level. A drop in poverty can be seen in Table 4, in particular in Dar es Salaam, but also in the other urban areas and even in the rural areas. The data on income distribution suggested that it remains skewed but has improved somewhat. The LGSP project expenditure compensates to some extent for the existing inequalities by spending more in less developed regions.

Table 4: Poverty reduction between 1991 and 2001

Variable	Dar es Salaam	Other urban	Rural	Comment
Poverty reduction	From 28 to 18 %	From 29 to 26 %	From 41 to 39 %	National level -3%
Average household size	4.8	4.9	5.9	Average household is smaller in Dar
Working age (15-64)	62.9%	57.0%	50.3%	Largest share working age in Dar es Salaam
Younger people (less than 15 years)	25.6%	22.2%	18.6%	More in 15-44 range
Importance of remittances	3.5%	3.2%	2.1%	2.4% of household budget

Various sources, see Van Dijk (2006a: 9).

FISCAL DECENTRALISATION

Do the local governments have enough money to spend on development efforts? The Local Government Support Programme makes funds available according to local governments' capacity to absorb money and the quality of their proposals. Expenditure is currently 90 per cent of their budgeted funds, so the LGSP has never had funding problems. Local government plans are prepared with popular participation over a period of three to four months, and then submitted to the LGSP. If approved, a memorandum of understanding is drawn up, specifying that so much money is committed in this plan period. However, in case of an emergency, the LGSP can also provide assistance. The main instrument is finance and hence the LGSP discusses funding at the village level. This avoids confusion if there are too many donors active at the local level.

At the local government level the property tax has a great potential and the private sector needs to be sensitised as to how the system works. Borrowing by local governments is another option for the future, but of course it commits the next generation. Grant funding (section five) generally aims to improve service delivery. The impression exists that fiscal pressure at the local level increased after the re-introduction of local government in Tanzania, but in fact it has decreased recently, mainly because central government has abolished certain local taxes and now compensates the local level through financial transfers.

For decentralisation to succeed it is important that at the local level there is adequate capacity to design and implement good tax systems, properly thought through and avoiding distortions. The current capacity at the local level is often not sufficient in this respect. A lot seems to depend on the people leading the decentralisation process and an old and wise man such as the Regional Commissioner in Arusha can do a very good job if he works with ambitious civil society organisations and private sector representatives in the region. Elsewhere a young and ambitious civil servant may help to start things moving, suggesting that individual leadership can play an important role in the decentralisation process.

7. Conclusions

We have argued that decentralisation has contributed to local development, because of the flows of goods, services, capital, ideas and people it has generated. One indication is the growing importance of return migration. There is still some resistance against the implementation of decentralisation policies at the national level. It is the usual fear of national level politicians of their loss of influence if national ministries are no longer fully in command. The pace of harmonising roles between the different levels of government in Tanzania has been slow. Sectoral ministries are reluctant to cede authority.

The LGSP has helped to build capacity at the local government level, and the positive results of the Local Government Reform Programme deserve more attention. By the end of LGSP, after 2008, the programme should have created the momentum for ongoing improved performance at local government level. Responsibility rests now with local government, and their empowerment should be one result of this programme. By then this approach should also be mainstreamed. It should be day-to-day government business.

Decentralisation is the framework for further development at the grassroots level and the citizens and politicians should use it as such. A point of critique is the rather arbitrary local tax increases. Decentralisation provides the opportunities; the challenge is now to design mechanisms to get capital and entrepreneurial talent to rural areas. For the Tanzanian bureaucracy it is important that the president is in favour of small enterprise development and decentralisation. Many local level officials still see enterprises only as units to be taxed.

It was hoped that decentralisation would diminish rural-urban differences. That could have led to less migration and hence solve the problems of big cities like Dar es Salaam. There are, however, no indications, despite a slight improvement in rural-urban income differences and some reduction in poverty, that the

number of migrants or their destination has changed over time. However, even if migrants are continuing to leave the rural areas, the number coming back or moving between the rural and urban areas has also increased, linked to the new economic opportunities at the district level. These migrants may bring back ideas, skills, education and money, which can all contribute to local economic development.

Local governments have received more autonomy in the framework of decentralisation. Local governments can and will do more, although they are not able to take up all the responsibilities listed above fully yet, if only because of the lack of sufficient local finance. The local government component of the public sector reform programme and the local government grant system and increased tax collection have provided the local level with more funds. However, firm support from central government for the local government reforms has sometimes been missing. So far decentralisation has never been a hot political item and the challenge for local government to take up their own development has rarely been emphasised. If the second and third objectives of decentralisation formulated in section 3 above (a more equal distribution of development) are to be achieved in Tanzania, the first objective (to promote economic activities in the regions) still requires greater attention.

Notes

- 1 Steffensen et al. (2004) focused on the effects on local service delivery and which factors constrain the development of a more effective and efficient system of decentralisation.
- 2 Parker (1995) proposes normative criteria for analysing development outcomes of decentralisation, including: (i) effectiveness, that is, providing minimum standards of service delivery cost-effectively and targeted towards disadvantaged groups; (ii) responsiveness of decentralised institutions to the demands of local communities, at the same time as meeting the aims of broader public policy; and (iii) sustainability, as indicated by political stability, fiscal adequacy and institutional flexibility.
- 3 A hypothesis, which cannot be tested in this case, is that the approach to decentralisation would show that when pluralism emerges at decentralised levels of governance it yields better results than in case of distributed monopoly (Laryea-Adjei, 2006).
- 4 The plans for one local tax have not yet been accepted.
- 5 Functions that can be carried out by lower levels of government are planning, fiscal policies and revenue collection, budget generation and expenditure management, staffing, programme and project implementation, information management and operations and maintenance.
- 6 For Dutch development cooperation, 'good governance' is also measured by the efficiency of ministries and their 'administrative capacity'. In the education sector, up to 50 per cent of the financial resources provided could not be traced, according to one evaluation study. This does not have to be corruption it can also be due to a lack of 'administrative capacity'.

- Enrolment has substantially improved, but the quality of education is still worrying. In particular, the quality of education for young girls is very poor.
- 7 For example, the Dutch government is heavily involved in decentralisation and local government reform. Together with other donors, they provide a form of budget aid to local governments, which can be used for water projects, for example.
 - 8 Publications explain how the councils are assessed (LGCDGS, 2005) and provide the planning guidelines for village and Mitaa (LGCDGS, 2004).
 - 9 The project is currently working under a plan for 2005-08.
 - 10 It is quite remarkable that the President has retired or kicked out something like thirty-one regional commissioners, because they did not do what they were supposed to do. Many were not clean and corruption is a key concern.
 - 11 Lobo (2006) evaluates the experience of involving the private sector in waste collection in Arusha, which is certainly an example of improved management at the local level.
 - 12 Besides donor money, local governments can also use the Tanzanian Social Action Fund (TASAF).

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6 Decentralisation and the Legacy of Protracted Conflict – Mauritius, Namibia and South Africa

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1. Introduction

The democratisation processes initiated in the early 1990s in Sub-Saharan Africa brought much hope in a reduction of violent conflict, both at the intra-state and the inter-state level. If African governments were to become replaceable via the ballot box or amenable to change by peaceful means, there should be a corresponding decline in the resort to armed struggle. More than a decade later, this hope in such a democratic peace dividend has been shattered, at least with regard to the intra-state level. Many processes of political liberalisation and democratisation were indeed accompanied by a rise in the number of violent internal conflicts and processes of state collapse. Demands for democracy were clearly linked to the massive popular frustrations caused by declining economies and the failures of incumbent governments in the 1980s. In many countries political liberalisation resulted from uncivic behaviour and was a symptom of massive internal social conflict. The violent conflicts that accompanied democratisation often indicated the real change taking place in settings unfamiliar with high degrees of open political competition and thus lacking peaceful routines of solving conflicts over political power.

These developments seemed to vindicate those representatives of non-democratic regimes and their intellectual supporters, who had always argued that a multi-party system is a Western construct unsuited to the culture and ethnic diversity of African countries. Much of the serious analysis was also pessimistic, noting the legacies of authoritarian systems and other structural obstacles to sustainable democratic rule (Snyder, 2000) and the capacity of actors involved in transition processes to resort to violence as a bargaining strategy (Klopp and Zuern, 2007). The coincidence of political liberalisation and the escalation of various conflicts left open the question of causality, i.e. whether it was democracy, or a country's movement towards that goal that led to the eruption of violent conflicts or whether the

political reforms were simply a trigger for activating some underlying root causes such as authoritarian governance structures, unequal access to socio-economic resources or unresolved contradictions between cultural norms and religions.

A long tradition in political science going back to Lijphart (1977) has always argued that it is less the regime type (democracy or non-democracy) but the specific institutional arrangements of a political system that matter for political stability and sustainable settlements of violent conflicts (cf. Sartori, 1994; Bunce, 2000; Reynolds, 2001). In theory, democracy is the only institutional mechanism for solving political and ethnic conflicts in a peaceful manner, but this is not true for any type of democratic system. A number of basic institutional features were identified at the macro-political level considered to be relevant for the management of deeply divided societies (for an overview, see Harris and Reilly, 1998). Still, this body of literature has an exclusive focus on national institutions, such as presidentialism or the parliamentary electoral system, although Lijphart (1999) himself identified the decentralisation of political power at the sub-national level as conducive for conflict management.

One of the reasons for the conflictive character of democratisation may thus lie in the specific institutional set-up of most African countries. Many conflicts in Africa centre on the role of the state in society and emanate principally from its structure and organisation. The argument is that some of these conflicts could be prevented or mediated by restructuring of the state through federalism, autonomy or local government institutions. Much of the theoretical literature is mostly interested in the conflict-mitigating effects of federalism (Lijphart, 1999; Brancati, 2006). Local politics and local democratisation have, on the contrary, rarely been discussed in terms of their institutional effects on conflict management. Most African states experiment with some form of sub-national government, but decentralisation policies and local government have remained poorly analysed (at least with regard to their political effects) in African countries (Olowu and Wunsch, 2004) and we do not know much about the real impact of decentralisation policies on the interests and strategies of local stakeholders.

In this chapter we want first to develop a theoretical statement about the likely impact of decentralisation on conflict management. We need both a clearer definition of our concepts and some hypothetical assumptions regarding why and to what extent decentralisation should matter for conflict dynamics. The remaining sections of this chapter present empirical case studies from Southern Africa. Striking many observers is the fact that three of the most ethnically, racially and culturally fragmented African societies, Mauritius, South Africa and Namibia, have consolidated their democratic institutions. The social development of these three countries has been marked by long histories of protracted and – except for Mauritius – also violent conflict among racially defined groups. We will first

briefly present the conflictive contexts in these three countries before we deal with the role of decentralisation for centre-local conflicts and local-local conflicts in each of the three countries.

2. Clarifying the Concepts of Decentralisation and Conflict

Decentralisation entails the transfer of power, responsibilities and finance from central government to sub-national levels of government at provincial and/or local levels. Different forms of decentralisation are generally distinguished according to the degree of autonomy exercised by these sub-national levels in relation to central government, i.e. devolution versus deconcentration. This conceptualisation first introduced by Rondinelli et al. (1983) has been criticised by the literature for oversimplifying the complex and issue-specific discretion exercised by sub-national government (Oxhorn 2004) and its administrative focus. The political practice of decentralisation policies in Sub-Saharan Africa has tended to blur Rondinelli's basic distinction, because especially throughout the last two decades many subnational governments are more than implementing agencies and do have some minimal degree of decision-making while at the same time lacking guaranteed fiscal transfers or significant own revenue-generating capacity. Given the shift of responsibilities and additional authority to existing lower tiers of government without a concomitant shift in resources, a more nuanced and issue-specific typology of decentralisation is needed.

The academic debate is further complicated by the fact that federalism and local government are increasingly debated under the single heading of decentralisation as member states in some federations enjoy less *de facto* power than provinces in some strongly decentralised unitary states (Amoretti and Bermeo 2004; Rodden, 2004; Burgess 2005). This is, however, not leading to any cooperation between scholars coming from the traditional comparative literature dealing with federations and the development-oriented literature on decentralisation which hardly deals with federations (for a similar observation, see Schou and Haug, 2005). Brancati (2006: 654) defines political decentralisation as 'a system of government in which there is a vertical division of power among multiple levels of government that have independent decision-making over at least one issue area. (...) Independent decision-making power refers to the fact that these different levels of government can legislate on certain matters.' In discussing the various effects of decentralisation on conflict she is thus clearly referring to federal systems of government. There is no compelling reason to exclude federal systems from our conceptualisation of decentralisation. It is indeed a very strong form of devolution, where competencies and resources are constitutionally devolved to local

units, and the central government cannot unilaterally revoke decentralised powers, unlike in a unitary state where the power to recentralise is vested in the central government. As there are few federal systems in Sub-Saharan Africa (three of them) we should, on the other hand, be careful not to restrict our definitions in a way that excludes the decentralising experiences of many African countries where the independent decision-making of sub-national levels remains severely constricted.

Definition of conflict and conflict management is even more cumbersome. There are different ways to build conflict typologies. One (and probably the most frequently used) is to distinguish according to the degree of violence involved in conflicts. While social conflict itself is regarded by most social scientists as unavoidable and even desirable, it is the violent escalation of conflict that needs to be prevented or ended or managed. The very idea of crisis prevention is to tackle the root causes of conflicts while these conflicts are still latent, i.e. violence has not erupted yet. Conflicts then pass through different steps or cycles with differing degrees of violent encounters including a post-conflict phase (OECD, 2001). Since the distinction between conflict and post-conflict situations often cannot be drawn sharply, and the term itself erroneously suggests that the underlying conflict has immediately come to an end, the term should actually be renamed 'post-violent conflict phase'. Conflict management 'refers to the elimination, neutralisation, or control of the means of pursuing either the conflict or the crises' (Zartman 1989: 8).

Another way to make sense of the multiplicity of real-world conflicts is to order them according to the main root cause of conflict. We find competing typologies in the literature, with most authors distinguishing resource-based conflicts (competition for economic power, access to natural resources), conflicts over governance and authority (based on competition for political power and participation in the political process), ideological conflicts (involving different value systems), and identity conflicts (based on competition between rival ethnic, religious or other communal identity groups for both economic and political power and social justice, cf. Rupesinghe, 1998). Empirical work with these typologies is often hindered by the fact that most conflicts in Southern countries are characterized by a combination of these different root causes.

A third possibility to build a conflict typology, and one increasingly applied in 'conflict management and resolution research' is to distinguish the individual and collective actors involved in conflicts. This idea is based on the premise that conflicts are the result of differences in the interests of actors and that the management or resolution of conflicts consists in reconciling the different interests by creating win-win situations for all relevant stakeholders. Lederach's (1997) Track I-III actors are a prominent example of such an approach: different groups of actors have specific capacities and roles within conflict management independently of the precise public good that is contended among the parties to a conflict.

Which actor constellations might emerge in conflicts related to decentralisation? The two main scenarios are the following:

1. Within a decentralised unit, different groups with contrasting political views or structural disparities in economic power or different ethnic or religious affiliations may conflict with each other.
2. Conflicts may exist between one (or several) decentralised units and the central government over the extent of political, cultural, financial and economic autonomy and authority.

Mehler (2001) adds another conflict scenario, in which different local government units may clash with each other, which is also typical of federal systems where the constitution typically provides for some formalised conflict resolution mechanism. We will neither consider this scenario in the following nor the role of international actors who are sometimes involved in protracted violent conflicts (warlords with international connections, arms traders, international humanitarian organisations). Both scenarios are of little empirical relevance in the regional area we are concerned with.

3. The Effects of Decentralisation on Conflict Management

Decentralisation may have many both direct and indirect effects on both conflict types identified. Theoretical insight and empirical observation warn us about assuming that these effects will always be beneficial for conflict management. In the following we will first present the key mitigating effects of decentralisation and then proceed with an analysis of the conflict-intensifying potential of decentralisation policies.

3.1. *Conflict-mitigating effects*

ALLOWING FOR POLITICAL INCLUSION AND PARTICIPATION

One main argument often used to justify decentralisation is that it might allow minorities, which are excluded from power at the national level, to be included in the political process (Boone, 2003). Wherever conflict is about access to political decision-making, this access might not only be achieved via political representation in national offices such as government or parliament, but also through access to political structures at the sub-national level. The existence of a local and accountable government which is closer to the people allows for more active participation and effective representation of all segments of the population giving them a sense of ownership of political institutions.

CREATING VERTICAL CHECKS AND BALANCES

Decentralisation may mitigate conflict by facilitating the dispersal of power from a centralised government structure to the peripheral regions of a country. This effect is only likely where there is some meaningful devolution of competencies and resources because only under this condition will the control of decentralised structures be considered by hitherto marginalised groups as a relevant form of inclusion into the political system and as an effective way to hold the central government accountable. Decentralisation as a vertical balance of powers will allow all groups to air their grievances through some institutionalised channels instead of relying on violent means of protest or threatening to form independent states. One main example is Mozambique, where the decentralisation programme helped motivate the rebels to accept defeat in the first-ever national elections, with the implicit promises that power-sharing could take place within new democratic institutions at the local level (Schou and Haug, 2005).

STRENGTHENING NATIONAL INTEGRATION AND LEGITIMACY

Beyond building additional checks and balances into a political structure, decentralisation may create a more stable political equilibrium between the centre and periphery. The strengthening of regions can help in reconstructing a sense of national unity after violent conflicts by making clear that all regional and local stakeholders are taken seriously for the management of conflict. Spreading power among a broader array of actors provides them with greater incentives to participate and cooperate and incorporate them into the political process. In this way, decentralisation can strengthen national integration and the legitimacy of national institutions.

HARMONIZING POLICIES AND STRENGTHENING RULE OF LAW

Decentralisation may formalise and harmonise relationships between national governments and sub-national institutions. It may also reassert central control over policies that were enacted under a large *de facto* discretion by local power-holders and officials. In contrast to the previous argument about creating sub-national veto –power, this opinion holds that decentralisation may be beneficial for conflict management by assuring an effective control of state agencies. It is thus not the omnipotent centralising state responsible for conflict which has to be tamed by decentralising some of its powers. It is, on the contrary, a weak state which may reassert control over the hinterland by creating effective decentralised structures and guaranteeing the application of its rules in a more consistent way thereby creating a more equal relationship to all of its citizens.

IMPROVING SERVICE DELIVERY

Decentralisation can be a tool to extend and improve the delivery of services to local populations. It might not only help in maintaining the presence of deconcentrated governmental offices throughout the country, but also make this delivery more responsive to the actual need and to the administrative capacity in a given area. The processes of decentralisation are normally supposed to improve effective service delivery and tax collection. It is obvious that the successful management of conflicts dealing with access and control of natural resources might primarily consist in a 'good' and 'sound' public policy, and that some of these policies might or even should be (planned and) implemented at the local level. Wherever the main root of conflict is the scarcity or the uneven distribution of resources (access to water), any significant overall improvement of services is likely to mitigate conflict.

3.2. *Conflict-intensifying effects*

EMPOWERMENT OF OPPOSITIONAL ACTORS

The political inclusion of oppositional actors and their capture of local and regional authorities might also lead to structural stalemate between the governing party and these oppositional actors. Especially in post-conflict settings the trust of the different actors in the enforcement of new power-sharing rules might not be sufficiently strong. The decentralisation of resources and competences might become, in these circumstances, a source of continuous conflict over the extent of real devolution and the interpretation of the new rules by both the governmental and oppositional actors. Incentives under decentralised structures may reward incompatible or uncompromising political platforms (Marshall and Gurr, 2005). Accountability to local constituents will increase polarisation of the political process and reward leaders taking ever more 'patriotic' positions in defence of the region or ethnic group. In some countries the legal rules might enable the president to overrule local and regional councils or to appoint district governors and mayors from the governing party (see Mehler, 2001, for an illustration from Cameroon; and Schelnberger, this volume, for an illustration from Uganda).

LOCAL ELITE CAPTURE

Decentralisation alone does not guarantee that local structures will allow for better accountability mechanisms, for more participation by civil society actors and for a more responsive policy-making (Bardhan, 2002). Legal provisions may provide for the inclusion or exclusion of relevant local stakeholders such as traditional leaders and ethnic minorities within councils and local administrations.

Conflicts might only be shifted from the national to the regional or local level by creating new political communities with new minorities that are marginalised by the elites controlling the respective regional or local authority. There is thus no guarantee that local resource conflicts will be better handled by a local government with officials and councillors who represent one or all of the conflict parties, or who might lack the technical knowledge to make informed decisions about the privatisation of public services.

INTENSIFYING REGIONAL DIFFERENCES

By allowing for local discretion in decision-making, inequalities in the distribution of development benefits may increase, thus creating relative deprivation, grievance and instability. Some areas might be rich in natural resources, and decentralisation will invariably challenge the existing distribution of benefits among central and local governments. Decentralisation rules might provide for transfer of block grants from central government to sub-national authorities with or without exemption rules; there are also significant issues concerning the regulated redistribution of funds among different regions and municipalities which might rather increase conflicts (Mehler, 2001). The more local governments are responsible for tax collection and may also have to apply for earmarked central government sectoral funds, the more the capacities of local administrations will be decisive for the flow of resources and the actual quantity and quality of services.

3.3. *Why decentralisation matters for conflict management*

It is not difficult to see that the same functions of decentralisation might both mitigate and intensify conflict. More responsive policy-making at the local level and an effective shift of responsibility for tax collection might satisfy some local constituencies but lead to grievances in other parts of the country. Inclusion of new oppositional groups in the political process will avoid secessionist tendencies but at the same time increase the potential of institutional deadlock between different layers of government.

But which variables then explain whether and in which way decentralisation actually works in a given conflict setting? One main hypothesis is that the institutional design of decentralisation decides the precise impact on conflicts. Decentralisation is understood as a set of rules that create incentives for actors to engage in politics, to pursue sectional or community-wide interests, and/or to perceive other local governments as allies or as competitors.

Local-central institutions affect the distribution of political power and thus the likely output of the political system as well as the relative ability of different

groups to influence that output. Local and national institutions provide a framework of rules (both written and unwritten) that decide the allocation of human and material resources to local government (cf. Ribot, 2003).

In studying the relationship between decentralisation and conflict we have thus to move beyond the analysis of general effects or the assessment of the intensity of decentralisation and to look for the specific rules comprised within decentralisation which really matter for conflict management. Many of these legal institutions haven't been designed in order to impact on conflict. Decisions about the size of municipalities, to give an example, are motivated primarily by considerations such as economies of scale, enhanced planning and better-qualified staff (Keating, 1995). Such decisions may nevertheless have unintended effects on the management of social, political and cultural conflicts.

It is not assumed that institutions will explain all of the effects of decentralisation on the dynamics of conflict. Institutions do operate within constraints and interact both with structurally-given conditions and contingent decisions of individuals. We will come back to these assumptions in the concluding section.

4. The Nature of Conflict in Mauritius, Namibia and South Africa

Both Namibia and South Africa have a long history of racial and ethnic struggle, the violent phases of which ended at the beginning of the 1990s. While the specific historical trajectories of racial and social conflict differ between both countries, they do share a lot of similarities with regard to the main roots of conflict and the main actors involved.

There are various and contrasting readings of South African history and the conflicts that have taken place throughout the last two centuries (cf. Friedman, 1995; Ross, 1999). Apartheid became the apex of white domination over the rest of the South African population. Political and social life was regulated according to racial criteria, the non-white population was effectively disenfranchised and inter-racial social contacts were strictly regulated by the state. White South Africans did not deny their aspiration of supremacy but interpreted conflict in ethnic terms with many different black African, coloured, Asian and white groups.

While Apartheid in its early phase (1948-1962) was not so different from European colonial rule taking place in the remaining territories of Sub-Saharan Africa, it became an exception starting from the 1960s when both the rest of Africa became independent and Apartheid rule was radicalised with the territorial segregation of 'Grand Apartheid'. At the same time when most Africans got full political and civil rights and elected their governments, millions of black South Africans were forcefully moved to their 'homelands', artificial territories without

economic bases which were never recognised by the international community as autonomous states. Organised protest against Apartheid grew in the 1960s and 1970s and became much stronger during the 1980s when both social movements within South Africa took the protest to the streets and the armed liberation movement African National Congress (ANC) had built up strong regional and international support against Apartheid.

During the negotiations leading to the demise of the Apartheid regime, the main conflict was clearly defined in terms of racial categories with the white National Party and the ANC as main negotiation partners. Competing African actors such as the Inkatha Freedom Party (IFP) were effectively marginalized by Mandela and the ANC although thousands died in clashes between ANC and IFP supporters in the province of KwaZulu-Natal between 1990 and 1994. When the new government took over in 1994, Apartheid rule had left a terrific legacy: millions of South Africans had been denied a decent life without access to basic services such as health and education and the settlement patterns of population groups had been thoroughly distorted by Apartheid policies. To overcome this legacy a vast social infrastructure had to be reconstructed within a short time-span. South Africa had become one of the countries with the most unequal distribution of wealth worldwide, and any government which was failing to deliver the most basic needs was going to face increasing social conflicts.

South African rule over Namibia led to the establishment of a regime very similar to the Apartheid system in South Africa (cf. Leys and Saul, 1995). Black Namibians were similarly disenfranchised and forcefully moved to so-called communal areas with most of the fertile areas reserved for the white commercial farmers. Protest again this system mostly came from the armed liberation movement SWAPO fighting against the white Namibian government alongside with the Angolan government. In contrast to urbanised South Africa, open rebellion within Namibia remained much weaker, and independence was obtained through UN-supervised negotiations at the international level. The legacy of Apartheid was similar. While the transition left (just like in South Africa) intact the basic economic order, political rule was dominated by the former liberation movement. Like in South Africa, the liberation movement was dominated by some ethnic groups more than by others, and conflicts over redistribution were thus not restricted to a racial conflict between the formerly privileged and the formerly marginalised but included struggles among different African ethnic groups for inclusion in government and development of their areas.

Mauritius is included in this comparison although it has never had any apartheid rule. It does share with the other cases a religious and racially heterogeneous population where access to resources is not evenly distributed (Bowman, 1991). On this small Indian Ocean island, a former British colony but previously also

under Dutch and French administration, the majority of the population is of Indian origin, brought to Mauritius by the British in the second half of the nineteenth century to work on the sugar plantations; but around a third is Creole and of African descent (brought to Mauritius as slaves), with a minor representation of Europeans (the so-called general population). Indians are again divided along religious lines into Hindus and Muslims, with most of the Africans and Europeans being Christians. This mix of races and beliefs is living together on a highly urbanised territory in mostly mixed neighbourhoods creating a high probability of social and political conflict. Upon independence in 1968, the Hindu Indians took political power and administrative positions, with the European elite maintaining the control of the sugar economy and Muslims mostly active in the trade and small business sector. It was the African community that lost out in this implicit social contract among the various population groups, and social conflict emerged regularly from the grievances of the African-Creole community who were disadvantaged with regard to most social indicators. While religious differences have not been politicised, conflicts between Indians and Europeans concerning their role in politics and business increased with the first-time election of a white prime minister in 2004.

There is no longer any violent conflict in any of these three countries. Decentralisation is thus less a way out of protracted violent conflict but more a long-term strategy to overcome the legacy of armed struggle and to manage the conflicts arising out of the heterogeneous composition of the population. Local and regional governments in all three countries do reflect this heterogeneous composition, with the exception of some rural areas of South Africa and Namibia that are dominated by a single ethnic group. It is thus likely that the existing political and social conflicts both take place within decentralised units as well as between local and central government.

5. Decentralisation and Central-Local Relations

In ethnically or racially fragmented societies such as Mauritius, Namibia or South Africa, the major conflict-mitigating role of devolution most likely consists of a better political representation of national minorities and more effective developmental services in favour of formerly marginalised segments of the population. And indeed, one of the motives that might explain the rise of decentralisation policies in these three countries is the conscious use of decentralisation as a political mechanism by ruling groups to placate, neutralise, contain or seek compromise with regional or local elites. Which effects did decentralisation policies in these three countries have on centre-local relations?

There is no need to make an in-depth analysis of this effect in Mauritius. The island is so small that any citizen can take public transport and reach the capital city Port Louis within half a day. Local government is basically urban government in the five municipalities of the island.¹ Municipalities have a slightly different ethnic composition than district councils (less Hindu Indians, more Muslims and Creoles), but one could hardly see them as strongholds of minority groups. It is true that the genuinely non-Indian parties such as the *Mouvement Mauricien Militant* (MMM) or the *Parti Mauricien Xavier Duval* (PMXD) emerged in the towns of the Plateau Central. The majoritarian electoral system existing in Mauritius (plurality in three-member constituencies) has however led to the formation of multi-ethnic party coalitions offering multi-ethnic slates of candidates in these constituencies, so that never, even at the local level, has one mono-ethnic party obtained full control of a council.

In Namibia, the previously dominant white population lives scattered over the national territory. The interests of this group are addressed via the business community or via informal channels to the government and ruling party but certainly not via the control of some regional or local council. It is different for the non-Ovambo African ethnic groups (mainly Herero and Damara) who have identified with opposition parties *Democratic Turnhalle Alliance* (DTA) and *United Democratic Front* (UDF) respectively. In contrast to the northern ethnic groups that were the backbone of resistance against the white regime and that numerically account for more than 50 per cent of the population, these ethnic groups see themselves as marginalised within the new Namibia.² While economic and social life in the Ovambo municipalities of Oshakati, Ongwediva or Rundu is vibrant and new markets, roads and public facilities have been constructed, the regional centres of Khorixas (Damara) and Okakarara (Herero) have remained at the periphery of economic and political life. The disenfranchisement under Apartheid rule has given way to marginalisation under SWAPO rule. Both ethnic groups perceive decentralisation as a clever trick of the central government which consists in decentralising central government functions without decentralising the necessary resources. Municipalities such as Khorixas or Okakarara have thus to pay for the bulk supply of electricity and water bill to the state-owned NamWater and NamPower companies, yet have to shoulder debts from previous administrations with a municipal administration neither capable of collecting the fees from citizens nor willing to enforce a necessary increase in fees to cover the increasing costs.

The growing frustration of non-Ovambo groups has certainly not been transformed into any open defiance or violent rebellion (with the minor exception of Caprivi strip), but the current decentralisation programme is certainly neither empowering oppositional actors nor creating vertical checks and balances. When

regional councils were designed in the early 1990s, communal areas were carefully divided among different regions in order to avoid these Apartheid structures surviving into the new Namibia (Forrest, 1998). However, this meant in practice that both the Herero and the Damara were going to 'share' their regional council with other ethnic groups, thus depriving them of the possibility to use control of regional councils for furthering their group interests. The geographical engineering of new regional communities confined decentralisation to an administrative and developmental function. While hindering local and regional councils from opposing the central government, decentralisation was also barred from playing a positive function of strengthening national integration and legitimacy in the new Namibian state.

Among our three cases, South Africa is certainly the one where some vertical power-sharing is taking place. South Africa's provinces were also newly designed in the constitutional reform process and the ANC was insisting on a weak federal form of government. Provinces have thus got very few own resources (around 5 per cent of what they spend) and the second chamber of parliament, the National Council of Provinces (NCOP), has few competences and votes on the basis of one vote per province so that all questions before the NCOP are decided by a majority of five (out of nine) provinces voting in favour of the question under consideration. As the ANC has always governed in at least seven provinces, federalism was a weak weapon for minority groups to defend their interests at the national level. The ANC has nevertheless invested a lot of energy to gain control of the remaining two provinces, i.e. Western Cape and KwaZulu Natal, and since April 2004 is governing in all nine provinces. Parties that mainly represent minority groups, such as the National Party (NP), Democratic Party (DP) and the Inkatha Freedom Party (IFP), have for some time governed these two provinces, although they mostly had to rely on other smaller parties for assuring a ruling majority.

In a context of a dominant party system, South African opposition parties representing ethnic and racial minorities thus got access to resources, could prepare their personnel for assuming high public offices, and present a more convincing challenge to the national government by having shown a certain degree of legitimacy and support at the local or regional level. The importance of local council domination varies, of course, depending on the type of council. The local politics of the metropolitan municipalities was of crucial importance to the national government, maybe more than the control of provincial government.

The successful management of Cape Town by the national opposition Democratic Alliance (DA) hurt the ruling African National Congress much more than the DA presence in the national parliament. When the DA together with a coalition of several small parties won the municipal elections in March 2006 by a

very narrow margin and elected Helen Zille as mayor, this caused a major upset in national politics. The ANC threatened legal action and advised its provincial premier to initiate a constitutional procedure allowing the province to directly govern the municipality and thereby annulling the mayoral election. This was not going to be, and a disgruntled ANC leadership has accepted Zille's election. Any central government is probably well advised to 'grant' the opposition such minor successes, thereby integrating it into the political process without risking any loss of political dominance. Even a successful term as mayor of Cape Town would not make a white lady like Helen Zille a winning candidate for national elections. The furious reaction of the ANC was thus more a reflection of their authoritarian style of politics than a clever political strategy.

6. Decentralisation and Local Conflicts

To what extent do decentralisation policies impact on conflicts between local actors? Before we can assess this question we have to briefly give an overview of local government structures in our three countries:

6.1. *The structure of local government*

Namibia and South Africa have popular elections for representatives at the local *and* the regional level. In South Africa, municipalities with elected councils exist side-by-side with provinces of a quasi-federal status characterised by own parliaments and executives. As outlined above, in the wake of independence, Namibia created new multi-ethnic regions bridging the former homelands and former exclusively white-controlled commercial areas. The Namibian population thus votes both for local councils (municipalities, towns and villages) and regional councils. Due to the small size of the Mauritian island, regional government does not exist there.

The socio-economic and demographic disparities between urban areas on the one hand, and scattered rural settlements on the other, lead to differences in service needs as well as in the availability of resources. Cities and urban settlements have thus historically been provided with special arrangements for their governance. Most African countries have thus two or more classes of local authorities, with the urban ones granted more power and responsibility than the rural ones. Mauritius follows this model, with the rural authorities being called 'districts', and the urban ones 'cities'. There are important differences in the electoral constitution of these authorities: The rural population elects village councils that in turn indirectly elect the district councils and chairmen (Dukhira, 1992).

With regard to local government, South Africa applies a relatively uniform classification of municipalities following the transformation of local government in the late 1990s (see Atkinson, 1998; and Goetz, 1996). Except for the seven metropolitan cities and some sparsely populated District Management Areas (DMA), there is a single type of municipality governed by a single legal document.³ Namibia, on the other hand, holds local elections only in municipalities, towns and villages. According to Namibian terminology, municipalities are urban areas that existed before independence in 1989, while the towns were created in the former communal areas after independence. The 'old towns' (municipalities) have thus established traditions of self-government and dispose of a more experienced and bigger administrative staff. In the fifteen years since independence some of the new towns (for example Rundu or Oshakati) have grown much bigger (in terms of population and financial resources) than most of the municipalities, but the Namibian government has maintained the original distinction so far (cf. Simon, 1996; Toetemeyer, 1999; Piermay and Sohn, 1999). The rural population is represented exclusively at the regional level (in the form of the regional councillor for their constituency). These regional councils, in contrast to the district councils of the other SADC countries, are however not the exclusive representative institution of rural populations, but a separate tier of government and represent both the rural and urban population living in that region (for a more extended presentation of local government structures see Hartmann, 2004).

With a similar legacy of apartheid local administration, Namibia and South Africa thus opted for contrasting models: While South Africa in 1998-99 strongly reduced the number of local authorities by consciously merging predominantly white and black areas to build a stronger local government, Namibia kept the original system. There is still a marked contrast between the rich and well-administered municipalities and the newly established towns, although Windhoek or Swakopmund have integrated the townships and have been governed by SWAPO ever since the first local authority elections in 1992. Still, the differences between South Africa and Namibia have less to do with political considerations than the socio-geographical context. The predominantly rural setting of Namibia keeps ethnic and racial groups much more in distinct and relatively homogenous areas than urbanised South Africa. The politics of ethnic conflict management were more concerned with the regional than with the local level. Previous homelands and communal areas were dismantled and new provinces (in South Africa) and regions (in Namibia) designed on the drawing board to foster interethnic contact and block separatism.

6.2. *The management of local conflict*

In most of the southern African countries, elected local government structures are entrusted with the control and/or management of resources, including land, and the provision of basic services to the communities. At the same time, nearly all these countries also have traditional institutions operating at the local level (Hlatshwayo, 1995). Both traditional and elected authorities have an interest in developing the local community. However, if their functions and duties are not harmonised, overlaps between their activities and resulting conflicts can be extremely detrimental to the local community. There are either laws in place or strong sentiments against allowing traditional leaders to combine traditional and competitive political leadership roles. Such prohibitions were generally meant to prevent traditional leaders from abusing their positions to gain unfair political advantage. Because traditional leaders are, by definition, linked to particular ethnic groupings, political cleavages along ethnic lines are likely to occur if traditional leaders were given the freedom to engage in party politics. But that has not resulted in their exclusion from politics altogether. In South Africa, for example, they can be elected by their peers into the reserved positions or may be nominated to these positions. Alternatively, they can abdicate their traditional leadership and compete as ordinary citizens. In Namibia the Traditional Authorities Act explicitly states that any traditional leader is prevented from allowing his political opinions or allegiance to influence members of his traditional community. There are no traditional authorities on the island of Mauritius.

The problem with traditional authorities is that they are both regarded as crucial players when it comes to solving local conflicts and as a source of conflict because their role in land administration. Forms of decentralisation that devolve competencies and resources only to existing municipalities or district capitals (sometimes with long-standing traditions of urban self-government) risk depriving the rural populations of any representation at the local level and create two *de facto* classes of citizens, thus creating new conflicts. In northern Namibia, traditional leadership remains an important source of authority, often competing with elected local councils, especially where the jurisdiction of chiefs extends into the municipal territory (Friedman, 2005). The balance is more mixed in South Africa (Munro, 2001; Williams, 2004). While the politicisation of chiefs may have put to risk their traditional legitimacy, they have been unable to hinder or even become the driving forces behind local outbreaks of violence between migrant communities, especially in KwaZulu-Natal. The South African Traditional Leadership and Governance Framework Act and Communal Land Rights Act have maintained this ambiguous role for

chiefs but confirmed their dominant role in land administration (Ntsebeza, 2005).

The three countries analysed share a strong scepticism towards direct election of mayors (as practised in Zimbabwe, Uganda and Mozambique)⁴ and ethnic and racial harmony is one major issue. While indirectly-elected mayorships may be rotated among the ethnic-racial groups based on informal deals within councils (as it is the case in the cities of Mauritius, especially Port-Louis, Curepipe and in some municipalities of the South African Western Province), a popular election has a fixed mandate, and a single directly-elected mayor will necessarily always represent a single ethnic or racial group. Different local electoral systems were, on the contrary, of less importance for ethnic conflict management. In South Africa and Namibia proportional representation systems allowed the parties to present ethnically-mixed slates of candidates to the electorate. Mauritius shows how even majoritarian electoral systems may provide for a good solution of ethnic conflict management. In each constituency, more than one candidate is elected and voters have as many votes as seats to be distributed (for local elections between three and eight per constituency) which allows parties to field candidates from different communities. While voters are free to follow the instructions of parties or not, the experience of the last thirty years does show that the councils of Mauritian towns are broadly representative of their ethnic and racial population notwithstanding the majoritarian electoral system. In this case informal rules complement the written electoral rules to produce the socially desirable outcome.

While local government in Mauritius was successful in keeping down conflicts among different ethnic groups, it remains to be seen whether Namibia and South Africa's municipalities can quell the explosive potential of social conflict. In these two countries, popular expectations towards distributive policies by local authorities run high. The achievements with regard to access to clean water, housing, electricity and secondary school enrolment are tremendous both in Namibia and South Africa, and certainly document that decentralisation has not stifled the delivery of these basic services. Local government has been given a prominent developmental role in the new South African Constitution, and it has been equipped with both an adequate institutional set-up and the necessary capacity-building has been made available. Any observer of the reality of municipal politics is, however, able to give more than anecdotal evidence about local elite capture, corruption and a growing social unrest directed against the local ANC leadership. South African President Thabo Mbeki himself indicated in 2004 that 'in the new dispensation, we gave too many powers to local government, which, I think, they are often not able to exercise' (cit. De Visser, 2005: 281). A strong form of decentralisation may thus also create new conflicts which in the South

African case is less a question of institutional design than a problem of human resources, the availability and quality of which are still constrained by the legacy of Apartheid education.

7. Conclusions

The end of Apartheid created an institutional vacuum with a large window of opportunity for conscious institutional design, both at the national and the local level. Decentralisation has been used as a main lever for conflict management in both countries with a main accent on its developmental role. If local government is to have any role in conflict management, it has to have effective powers and resources to make a difference in the eyes of concerned populations. This has been much more the case in South Africa than in Namibia where decentralisation has been effective mainly in uplifting the welfare of some of the previously marginalised groups while oppositional areas did benefit much less from the same policies.

The analysis has shown that appropriate institutional forms and powers of decentralisation are crucial for delivering the assumed theoretical benefits, but the broader political and social context, including the legacy of the conflict itself and specific party systems, does matter for the effects of any decentralisation policy. It would be difficult to argue that the decentralisation policies in the three countries did any harm to the process of consolidating fragile democracies. The non-political design of decentralisation hindered local and regional authorities from becoming (party) political agents and from increasing a vertical balance of power; at the same time, this non-political version of decentralisation also saved the countries the trouble of institutional deadlocks and autonomy movements. Political stability and national integration is so far guaranteed by broad-based dominant parties which control most of regional and local government. This also explains why there is little conflict between national and local government.

It remains to be seen which role local government will play when the dominating position at the national level is threatened. The hope is then that Namibian and South African leaders will not choose the path taken by Robert Mugabe, who in neighbouring Zimbabwe put municipalities with oppositional governments under direct presidential authority, but rather look to a tiny Indian Ocean island whose democratic order has survived a number of major government changes both at national and local level.

Notes

- 1 There are additionally four district councils and 128 village councils.
- 2 Interviews with Mayor, Chief Executive Officer and Town Councils of Khorixas and Okakarara on 24 November 2003 and 28 November 2003.
- 3 In local elections, all citizens living in the metropolitan cities and municipalities elect their local councillors while the populations of DMA vote their representatives to District Councils which are then filled up by representatives of the municipalities existing within that district.
- 4 The direct election of mayors was a substantial issue in the South African debate but the adherents of indirect election (and of party-political control) prevailed, and even in the metropolitan cities, such as Johannesburg or Cape Town, the mayor is thus elected from among councillors.

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7 Decentralisation and Conflict in Kibaale, Uganda

Anna Katharina Schelnberger

1. Introduction

The contribution of decentralisation policies to economic development, participation, good governance and democratisation has been the topic of an increasing body of research over the last decade (Crook and Manor, 1998). Given Africa's context of protracted violent conflicts both at the national or regional level and at the local level, it is surprising to see how little attention has been accorded to the potential role of decentralisation for the management of conflict, especially those conflicts related to issues of participation, governance and democratisation.

Like federalism and autonomy, decentralisation addresses the territorial structure of a state. Federalism, autonomy and also decentralisation are means of devolving power and are considered to be a way of integrating different interests and interest groups into a national state while allowing for a degree of independence of these groups. The capacity of both federalism and autonomy to contribute to the management of conflicts has been studied in much detail (Reilly, 1998). The capacity of decentralisation to act as an instrument of conflict management has so far received less attention (Mehler, 2001).

The case study of Kibaale district in western Uganda may serve as an example for the way actual decentralisation policies both mitigate but also intensify different types of conflict. From 1967 to 1986, Uganda was a highly centralised state. During the period the country suffered from almost continuous civil war. The local government of Uganda today was actually built on Resistance Councils (RCs), grassroots institutions conceived as a way of supporting the guerrilla war of the National Resistance Army (NRA). These RCs were introduced all over the country after the NRA had taken power in 1986, and in 1992 Uganda's official decentralisation policy was launched.

Kibaale District has from its creation in 1991 been an ethnically heterogeneous district. After independence, migrants from south-western Uganda settled in the

until then sparsely-populated district. This settlement continued over the years, so that today about half of the population of Kibaale are settlers. These settlers are competing with the original population over the available land, but also over political power. In March 2002, Fred Ruremera – a member of the settler community – was elected as district chairman (head of local government). His election was not accepted by the original inhabitants and led to violent conflict.

What has been the role of local government in these conflicts? How has it contributed both to their intensification and mitigation? The contribution will trace the historical roots of the conflict and describe their development over time as well as their interaction with local government structures. It will show that – contrary to common expectation – decentralisation and especially the increased participation of all groups of the population actually contributed to conflict.

The next section will provide a theoretical background on the relationship between decentralisation and conflict; the third section gives an overview of the types of conflicts in Kibaale district and their dynamics. Two further sections discuss the role of local government in the management of these conflicts and propose some explanatory factors. A concluding section will discuss some theoretical and political lessons to be learnt from the experience of Kibaale district, a typical if drastic example of host-migrant conflicts in Uganda.

2. The Relationship Between Decentralisation and Conflict

Decentralisation as a process shifting competencies and resources from the central governmental to the sub-national level may contribute to a better management of social conflicts but also intensify these same conflicts (Fandrych, 2001: 93; Mehler, 2001: 287-289; Steinich, 2000). The possible impacts are manifold and very much dependent on the specific circumstances. Decentralisation is in itself a conflictive process that can open up new arenas of conflict. It is a political process impacting on the distribution of political power. In order to be able to transfer power and authority to local government units, power and resources necessarily have to be taken away from elites at the national level. Strong opposition can be expected from the losers of the decentralisation process (Bächler, 2001: 14; Mehler, 2001: 288f.). With regard to the capacity of decentralised units to manage existing local conflicts, it is important to note that they can, of course, only become active if they are called upon to do so by the population and if they have actually been granted authority to intervene and act in these situations (Mehler, 2001: 292).

Four potential layers of conflict within society can be distinguished to illustrate the influence of decentralisation on conflict. Table 1 provides an overview of

the expected influences on the different layers of conflict between the individual citizen and the community/state, ethnic or other groups within a community or region, different regions and regions (and the population of these regions) and the central state.

Table 1. Impact of Decentralisation on Conflicts in Different Layers of Society

Layer	Contributions to conflict management	Contributions to conflict intensification
Individual citizen and community/state	Proximity of government to the citizens	Deficits in local democracy and incompetence of local councillors
	Local democracy	Incompetence, corruption and squandering lead to deteriorating quality of service delivery
	Responsibility and accountability	
	Improved service delivery	
Ethnic or other groups within a community/region	Local arena to carry out conflicts in a non-violent manner	Changes in the balance of powers, new majorities and minorities
	Participation	Central State loses its position as an arbitrator in conflicts
	Inclusive decision-making	
Different regions	New possibilities for inter-district cooperation	Demarcation of district borders
		Need for inter-district cooperation
		Distribution of resources
Regions (and their population) and the central state	Demand for autonomy is partly fulfilled	Strengthened autonomy movements, secession
	Impetus for the formation of new coalitions	Central state is weakened
	Empowerment of geographically-concentrated ethnic groups	

Source: Mehler, 2001.

As most conflicts in Uganda are conflicts between ethnic groups within a given region, the following analysis will concentrate on the effects of decentralisation on this type of conflict (for an extended treatment of the other layers see Mehler, 2001; and Hartmann, this volume). Decentralisation provides different and potentially conflicting groups within a region (such as different ethnic or religious groups) with a local arena to carry out their conflicts in a non-violent manner. It is easier to organise participation at the local level and thus even minorities can be included in the decision-making processes. Decision-making is theoretically more inclusive, because it involves all interested parties and provides everybody with the possibility to give their views. Local governments offer a forum where all citizens, regardless of their ethnic or religious background, can come together and negotiate. Members of conflicting groups will be forced to cooperate and compromise if they want to achieve something. The result of such cooperation will likely be compromise solutions that are acceptable to all. Opponents get a chance to get to know each other and prejudices can be reconsidered. Since local governments are locally elected, locally legitimated and familiar with the local problems, chances are high that mutually acceptable solutions are found. However, there is also the danger that members of conflicting groups block decision-making by refusing to cooperate.

Decentralisation can change the fabric of power between conflicting groups in a district. The introduction of local units of government and the way their borders are drawn can upset the balance of minorities and majorities. This can work both ways: a former minority can suddenly find itself the majority, but a former majority may also find itself in the position of the new minority. Minorities and majorities can conflict over access to resources and political power in the district.

The indigenous population of an area and immigrants or refugees can carry out violent conflicts over the use of resources such as land and water or the adherence to religious customs. Conflicts can also take place between different families or clans. Because of the transfer of authority to the local level the national government may lose its role as an arbitrator in these cases. Decentralisation also leads to an influx of resources. Conflicts can arise over the use of these resources. Depending on how they are distributed, disparities between different groups might increase. The additional resources can also be used in financing violent conflict among groups.

Using these theoretical assumptions as a starting point, this contribution will try to empirically assess the impact of local government on conflicts in Uganda taking the case of Kibaale District as an example.¹

3. A History of Kibaale District and its Conflicts

Kibaale is a rural district in western Uganda consisting of the three counties Buyaga, Bugangaizi and Buyanja. Until 1900, the area was part of the Kingdom of Bunyoro-Kitara. Kibaale district was created out of Hoima district in 1991 in order to improve service delivery in the area and because the inhabitants of Kibaale had felt neglected by the local ruling elite of Hoima district. The indigenous inhabitants of the area of Kibaale are the Banyoro, but approximately half of the population today are Bakiga, Alur, Banyarwanda, Lugbara, Basoga, Bagisu and Baganda.

Two main types of conflicts can be empirically observed: one is concerned with the control of political institutions, and the other one is based on land. Land conflicts again have several dimensions: for example, land ownership and the settlement of non-Banyoro in Kibaale. All these conflicts are interrelated, with much of the political conflict having its roots in settlement issues.

3.1. Conflicts about land

Land conflicts are rooted in what the Banyoro perceive as a dispossession of land by other ethnic groups, historically the Baganda chiefs and more recently settlers from other parts of Uganda.

3.1.1. LAND OWNERSHIP

In 1899, the Omukama (King) Kabalega of Bunyoro-Kitara was defeated by British colonial forces. Under the 1900 Buganda Agreement, the British gave part of the territory of Bunyoro-Kitara kingdom to Baganda chiefs who had supported their war against Kabalega. Most of those territories, which were subsequently called 'lost counties', form the present-day Kibaale district. The so called *mailo* land tenure system was introduced and 68 per cent of the land in the 'lost counties' was given to Baganda chiefs, while the rest of the land became 'crown land' and forest reserves. The *mailo* titles granted the Baganda chiefs ownership in perpetuity. Banyoro who had been living on the land continued to live there and became *mailo* tenants (Nsamba-Gayiiya, 2003).

The Baganda followed a policy of forced assimilation, encouraging Banyoro to marry Baganda and speak their language, Luganda, while the Banyoro felt subjugated and enslaved by the Baganda whom they considered to be foreigners. As early as 1907, the Banyoro started a campaign to expel Baganda chiefs. In 1918 they formed the Mubende Banyoro Committee (MBC) in order to: '(a) Fight for return of Omukama Kabalega; (b) Redeem Banyoro land from Buganda and British [...]; (c) Reinstate socio-cultural aspects of the Banyoro; (d) Resist

foreign non-indigenous rule, exploitation and subjugation' (MBC, 2003:1). Following Uganda's independence and a referendum held in 1964, the lost counties were returned to the Kingdom of Bunyoro-Kitara. The MBC forcefully drove the Baganda chiefs off their land, but these chiefs, now 'absentee landlords', kept their titles to the land.

After 1986 the NRM Government under President Museveni took up the issue of land in Kibaale. The question of *mailo* land in the lost counties was debated in the Constituent Assembly, but no steps were taken to change the situation. The *mailo* tenants are paying a nominal ground rent (*busuulu*) to the landlords. The amount is determined by the district land board. Today there is deep animosity towards the Baganda; many Banyoro are of the opinion that the Baganda grabbed the land from them and are not the legal owners of it. They believe that they have the right to the land their ancestors fought for and on which they were born. The national government is undertaking the compensation of Baganda landlords in Kibaale through the Uganda Land Commission. This commission accesses the Land Fund to compensate the absentee landlords and then give titles to the occupants of the land.

A first indicator for the dynamics of the conflict about land ownership is the number of violent confrontations between Banyoro tenants and Baganda landlords. Although the Banyoro started expelling Baganda landlords in 1907, violence is only reported for the time following the 1964 referendum when the Banyoro headed by the MBC chased away the Baganda with spears and machetes. Lobbying activities are a second indicator. The MBC was founded in 1918, but its lobbying work ceased after the lost counties had been restored to Bunyoro in 1964. The demands of the MBC after its reconstitution in 2001 include the restoration of ownership of *mailo* land. Other forms of lobbying are the demands of the Banyoro for the return of the land at the Constituent Assembly. The amount of *mailo* land serves as a third indicator. By late 2003 eight out of the original 984.3 square miles were given back to Banyoro. This represents only 0.8 per cent of the land and thus too little to indicate any significant change in land ownership.² Conflicts over land ownership thus reached its greatest intensity far back in the past when the Baganda landlords were driven out in 1964. Increased lobbying in the last ten years has brought more awareness, but has not led to a change in the intensity of the conflict. The conflict remains latent.

3.1.2. SETTLEMENT OF NON-BANYORO

Throughout the history of the Bunyoro-Kitara kingdom other tribes have settled in the kingdom and become assimilated. Since 1900 there has been increased settlement as the area was depopulated after the lost war. Table 2 shows the different phases of settlement since then.

Table 2: Phases of Settlement in Kibaale since 1900

1900	1940	1964	1973	1991	1992	1998	2002
Settlement of plantation workers			Kagadi Resettlement Scheme		Bugangaizi Resettlement Scheme	Increase of 'unofficial' settlements	
	Settlements as a shield from wildlife						

Source: Nsamba-Gayiyi, 2003: pp. 7-11, 30.

The first group of settlers were plantation workers from western Uganda, mainly Bakiga. They settled in the Kibaale counties of Buyaga and Bugangaizi on land given to them by the Baganda landowners. The Banyoro also encouraged Bakiga to settle in the so-called 'elephant corridor' between the forest and their own settlements in order to shield them from vermin and wild animals. Land was allocated to the Bakiga by local chiefs against a token payment or sold by Banyoro.

The first official resettlement scheme by the national government (the Kagadi Resettlement Scheme) was started in 1973. The settlement involved the national government and the Omukama of Bunyoro. Bunyoro district administration consented. Until 1991 several groups of settlers from western Uganda and returnees from Tanzania were resettled. Land located within the scheme cannot be sold and can be taken away if not used according to the agreed-upon purpose (Nsamba-Gayiyi, 2003:7).

The second official resettlement scheme by the national government (the Bugangaizi Resettlement Scheme) followed in 1992. It was negotiated by the Member of Parliament (MP) for Bugangaizi County and the national government. Around 5,000 Bakiga families were resettled on approximately 100 square miles in Bugangaizi County. There are no written rules governing the scheme, especially whether the settlers are allowed to sell their land or settle and buy land outside of the gazetted area. In practice settlers are sub-dividing their plots to sell them to other immigrants and are also buying land outside of the scheme. An estimated 75 per cent of the land occupied by the scheme is *mailo* land (Nsamba-Gayiyi, 2003:9). Banyoro *mailo* tenants and Local Council (LC) officials reportedly also sold *mailo* land and land in forest reserves to Bakiga settlers.

In assessing the dynamic of this conflict one may first look at the influx of settlers. Since 1900 the number of settlers in Kibaale has constantly increased in absolute as well as relative terms and now stands at 50 per cent. The Banyoro and the settlers (specifically the Bakiga) are ascribed very different attitudes

and characteristics. The Bakiga are considered to be hard-working and therefore tend to be rich by Ugandan standards. The Banyoro are considered to be less industrious and seem to have settled with a certain degree of poverty, an 'attitude of poverty'. Many Banyoro are jealous of the economic success of the settlers. Another difference lies in religion, a source of conflict throughout the history of Uganda: most Banyoro are Catholics, while most of the settlers are Protestants.

A second indicator for the dynamic of conflict is the intensity of confrontation between the two groups. Banyoro and settlers have lived together peacefully. There was some animosity and jealousy, but open violence first erupted between February and May 2002. In early 2002 Fred Ruremera, a Mukiga, was elected as District Chairman. The incumbent and loser of the elections, Sebastian Sekitoleko, a Munyoro, refused to step down from the post as he was not prepared to hand over power to a 'foreigner'. The reconstituted MBC agitated against Fred Ruremera as District Chairman. Clashes between Banyoro and the settlers ensued, partly geared at chasing the settlers from the land the Banyoro felt was theirs. After Fred Ruremera had agreed to step down from office for a compromise chairman the violence stopped.

Violence broke out again after reports in late April 2003 that the District Land Board was allocating land to Banyoro that belonged to Bakiga who had previously bought it. These clashes were later blamed on the MBC whose members had been using radio stations to air messages that incited the violence. Interviews with members of the MBC in September 2003 showed that they were still unwilling to tolerate the settlers while a prominent member of the settler community mentioned that the houses of the Banyoro could also burn.

The dynamics of the conflict about settlement are such that the growing number of settlers provided increasing pressure on the indigenous Banyoro. The demands of the MBC that all settlers should leave indicated a further increase in the intensity. The conflict climaxed during two phases of open violence between February and May 2002 and again in May 2003. The situation then calmed down, but the conflict remained at a stage of high intensity where it can easily break out into open violence again – as seen in new clashes during the national elections of March 2006.

3.2. *Control of political institutions*

After Kibaale had become a district in 1991, settlers were elected as councillors at all LC levels and they also served as chairpersons as far up as sub-county level. At the parliamentary elections in 1996, a Mukiga was elected as MP for Buyaga County. These developments frightened the Banyoro. M. Baguma Isoke, a

Munyoro and currently Minister of State for Lands, said in 1996 while he was MP for Buyanja County: 'Bakiga must not take away political leadership from Banyoro simply because they have flooded the district in bigger numbers' (*The Exposure*, December 1996). Intentional exclusion of settlers from political participation at district level took place under the pre-2002 District Chairman Sebastian Sekitoleko, a Munyoro.

The subliminal fear many Banyoro had of the growing number of settlers was picked up by the MBC which was reconstituted in July 2001. It resolved '[...] that Banyoro should take political control and direction of the key affairs in Kibaale district, and the key political/policy posts be left for [the] Banyoro to assume, occupy in the motherland' (MBC, July 2001: 6-10). Joseph Kazairwe, the only surviving member of the original MBC, spoke about the meeting on Kibaale Kagadi Community Radio and issued threats to the settler community. In reaction the settlers formed the 'Kibaale Settlers/Immigrants Community' which later became known as the 'Bafuruki Committee'. It is chaired by Rev. Geoffrey Tibenda, a Mukiga. The committee wrote to various national government ministries, the Prime Minister and the President calling their attention to the problem.

The creation of the two interest groups, MBC and the Bafuruki Committee, indicated an intensification of the conflict. Violence between Banyoro and the settlers serves as another indicator. Violent confrontations could be observed after the election of the Mukiga, Fred Ruremera, as District Chairman in early 2002. The MBC agitated against Ruremera as a foreigner. The violence stopped only after Ruremera agreed to resign in favour of a compromise candidate. This so far marks the climax of the conflict. In June 2003 the compromise chairman George Namyaka dismissed two secretaries from the District Executive Committee, both of whom were settlers. This upset the tribal balance, but did not lead to violence.

But why did the political participation of settlers in local government and national parliament not cause a problem before 2002? Firstly, Fred Ruremera was elected as District Chairman, the political head of the district. This meant that not just a sub-county would be run by a settler, but effectively the entire population of Kibaale. Secondly, the creation of Kibaale district in 1991 upset the balance between the Banyoro and settlers: the Banyoro lost their majority. The settlers now formed a proportionately larger group which was still growing due to continued settlement. These circumstances partly enabled a non-Munyoro to successfully run for the district chairmanship.

4. Local Government's Role in Conflict Management in Kibaale District

4.1. Uganda's local council system

Local government is based on the Local Council (LC) System, a hierarchical structure of councils and committees stretching from the village (LC I) up to the district (LC V) as illustrated in Table 3. Local government is regulated by the Local Governments Act 1997.

Table 3: Structure of Local Government in Rural and Urban Areas (simplified)

	Rural Areas	Urban Areas
LC V	District Councils	City Councils
LC IV	County Councils	–
LC III	Sub-county/Town Councils	City Division Councils
LC II	Parish Councils	Ward Councils
LC I	Village Councils	Village Councils

Source: Author's own sketch based on the Local Governments Act.

The principal unit of local government are the fifty-six districts. The district council is the highest political authority in the district. It is presided over by the district chairperson as the political head of the district. The district chairperson is directly elected and nominates the members of the district executive committee, the district's 'cabinet'.

The distribution of functions between local and national government is laid down in the Second Schedule of the Local Governments Act. Districts have planning and legislative powers regarding land administration (including that of *mailo* land) and land surveying while the national government is responsible for national policy regarding land. Of the various boards and commissions at district level, two are of importance for this research: the district service commission which recruits, appoints and disciplines the public service and the district land board which holds public land, may allocate it to landless inhabitants of the district and determines the amount of ground rent (*busuulu*) paid on *mailo* land.

The president can take over the administration of a district if the district council requests so, a state of emergency has been declared or when it has become extremely difficult or impossible for the district government to function. He needs the support of two-thirds of all members of the national parliament

and can then assume executive powers for ninety days or even longer (Art. 202 Constitution, Sec. 101 Local Governments Act). District funds come from locally-generated revenue (about 10 per cent) and direct transfers from the national government, of which 85 per cent (2001) are conditional grants. The Local Governments Act itself uses the term 'local government' only for sub-county and district councils. Within this article, however, the term shall encompass all those political and administrative structures that are part of decentralised governance.³

4.2. *Impact of local government on conflicts in Kibaale*

4.2.1. CONFLICTS ABOUT LAND

When Kibaale became a district in 1991, the problem of absentee landlords already existed. The analysis of conflict dynamics revealed a latent conflict that has remained at the same level of intensity since its climax in 1964. Local government never attempted to address the issue except by lobbying for compensation of the absentee landlords at the national level. This compensation exercise has started, but so far not progressed far enough to make any impact. Local government has thus not had an impact on the legal question of land ownership.

The Second Schedule of the Local Governments Act gives the district the responsibility for land administration, which includes the regulation of settlement. Kibaale district has so far failed to pass such a policy. As early as 1996, the then Chairman of the District Land Board was 'embarrassed [...] that the district had never adopted any guidelines' on land policy (*The Exposure*, December 1996). In 2002, the District Land Board started formulating the 'Land Acquisition, Use and Management Policy' to address the issue of settlement. The policy intends to stop the influx of settlers by taking away their main incentive which is free available land. All land that is now available should be distributed to those who are already in Kibaale. The policy will also provide a procedure for settlement. Since the policy is likely to be changed during the deliberations in the District Council, it is difficult to judge its potential impact on settlement. It does, however, show that local government is now not only aware of the conflict, but also trying to address it by providing clear rules for settlement. The previous resettlement schemes (Kagadi Resettlement Scheme 1973, Bugangaizi Resettlement Scheme 1992) had been negotiated without the direct participation of local government. Local council officials were excluded from taking part in major decisions such as the allocation of plots. After 1992 the settlers, especially Bakiga, were elected into the LCs in the area of the scheme. Some are reported to have abused these political positions by giving land to other settlers against a token payment irrespective

of whether the land is public or *mailo* land. Where LCs are dominated by settlers, illegal allocation of land continues.

The dynamics of the conflict show that the conflict intensified further with increasing numbers of settlers. Thus any activity of local government that increased the number of settlers (such as the consent to the settlement schemes and the illegal allocation of land by LC officials) or failed to regulate settlement (as a settlement policy could have done) constitutes an intensifying impact. The allocation of land by the District Land Board in 2003 immediately preceded the violent land clashes and may thus have served as a trigger for the escalation of the conflict.

4.2.2. CONTROL OF POLITICAL INSTITUTIONS

Political institutions are not only the arena for political representation of all ethnic groups within the district; control of these local institutions might also be used to influence access to land for group members. For the dynamics of conflict it is often not relevant whether such influence is actually occurring; what matters is the chance that it might occur.

Local council elections were held in Kibaale District in early 2002. Thirty-six district councillors were elected, a third of them settlers, the others Banyoro. The Mukiga (and member of the Bafuruki Committee) Fred Ruremera was elected to District Chairperson with 56 per cent of votes. The MBC Banyoro hardliners had only half a year before decided that only Banyoro should be allowed to occupy political positions in Kibaale. Now MBC members started agitating against a non-Munyoro as District Chairman. The incumbent District Chairman, Sebastian Sekitoleko, did not hand over power to Fred Ruremera on grounds that he was not a Munyoro. Fred Ruremera was accused of having threatened other settlers with sanctions in case they did not vote for him. This accusation is rejected by more neutral observers, such as the staff of development organisations in Kibaale and Kampala. The Bafuruki Committee claims, on the contrary, that the national government had asked the people not to vote for Ruremera. Kibaale Kagadi Community Radio broadcast a speech of a minister without portfolio recruited just before the elections in which he said that the President had advised that a non-Munyoro should not stand for the chairmanship.

In mid-February 2002, accusations broke out into open violence. Houses and huts belonging to settlers were burned down, settlers were threatened and physically attacked. The clashes killed five people. The army and riot police were deployed to Kibaale and roadblocks set up to stop the clashes. The violence stopped about May 2002. There were fears that the situation could turn into a genocide like the one in neighbouring Rwanda in 1994. This was also reflected by the headlines in the press warning of 'genocide' and 'ethnic cleansing'. Local FM radios were

reportedly running hate messages, speakers vowing to chase away all 'foreigners' from the land they had 'fought for from Buganda' (Watson, 2001-2002: 94-96). The management of Kibaale Kagadi Community Radio was later instructed by President Museveni to stop airing these programmes.

Others warned that the situation was deliberately being exaggerated in the media in order to make the nation believe that there was a war going on in Kibaale (Kibaale District Settlers and Immigrants Community 2002). This was confirmed by volunteers from abroad who were working in Kibaale town and Kakindo at the time. There was also local talk in Kakindo that politicians had given poor people alcohol and money to set houses on fire. The Regional Police Commander, Haji Balimwoyo, reported that politicians had 'been on the forefront though they do not want to be seen as being behind it' (Watson 2001-2002: 96).

The national government responded to the violence in Kibaale by forming the 'Committee of Inquiry into the Political Developments in Kibaale District'. The Committee recommended that Fred Ruremera should resign in favour of a neutral candidate. President Museveni visited Kibaale District in April 2002 and 'persuaded' Fred Ruremera to resign: 'If Ruremera does not stand down voluntarily, we use the powers under Article 202 of the Constitution to take over the district using the powers of the President supported by two-thirds of Parliament.' (cited in *New Vision*, 24 April 2002). Both Article 202 of the Constitution of the Republic and Uganda and Sec. 101 of the Local Governments Act contain an emergency provision that allow the president to take over executive powers in a district. These legal provisions will be analysed in more detail below.

Fred Ruremera was officially sworn in as chairman on the day of President Museveni's visit to the district, and agreed to step down in due course to allow for the nomination of a compromise candidate. This compromise candidate was George Namyaka, a Munyoro and a Protestant whose late wife was a Mukiga and whose daughter is also married to a Mukiga. Both the MBC and the Bafuruki Committee agreed that only 'their' candidate George Namyaka should be nominated for district chairmanship and asked the national government to take 'appropriate action' against any other person who would want to register at the nomination. With Namyaka being the only candidate nominated he was consequently declared District Chairman of Kibaale district in July 2002. Following a recommendation for power-sharing and representation with all committees at district level that the MBC and Bafuruki Committee had agreed upon at a meeting chaired by President Museveni in June 2002, George Namyaka appointed seven secretaries to the District Executive Committee representing all three counties; Banyoro outnumbered non-Banyoro by just one. George Namyaka was declared chairman after the violence had already stopped. The power-sharing policy he applied in appointing the District Executive Committee gave the settlers representation and

in a way compensated them for the 'loss' of the chairmanship. Both the new chairman and the power-sharing policy helped to stabilise the situation.

The above analysis points to actors outside of local government which had an impact on the conflict. Among the most important of these actors seem to be the central government and President Museveni and the two interest groups, the MBC and the Bafuruki Committee. Their role will be analysed in more detail in the following section.

5. Explaining the Role of Local Government

Local government had an ambivalent role in the events of 2002. The decision to create a separate district in 1991 had a powerful impact for the strategies of political actors and ethnic group leaders. The new district and its political institutions indeed became the relevant arena for conflicts over resources and influence. The introduction of local government was apparently more important for conflict dynamics than the decisions taken by district councils and administration. But which explanatory factors may account for this development? Three such factors are examined. Firstly, there are factors that lie within local government itself. These are the competencies and resources transferred to local government (the legal framework) and the inclusiveness of local government. Secondly, there are outside interventions into the working of local government. Lastly, the type of conflict will be analysed as an explanatory factor.

5.1. *Land ownership*

Local government did not have an impact on land ownership. In general, the legal framework provides two different ways of addressing land ownership: adjusting the amount of ground rent (*busuulu*) that *mailo* tenants pay to their landlord and compensation of absentee landlords with the aim of giving the land to the *mailo* tenants.

The District Land Board determines the amount of ground rent (*busuulu*). Sec. 32 (5) of the Land Act sets the maximum amount at 1,000 Ugandan Shillings (less than EUR 0.50) per year regardless of the size or location of the land. For most cases this is far below the market price and cannot reflect the real value of the land. An impact thus cannot be expected.

The District Land Board has powers to 'acquire by purchase or otherwise rights or interests in land' (Sec. 61 (2) (a) Land Act) and could thus theoretically purchase land from the Baganda landlords. But local government does not have the financial means to do this: 84 per cent of a district's income comes from con-

ditional grants by the national government and unconditional grants are largely spent on general management and administration of the district (Francis and James, 2004: 330). Thus only locally-generated revenue would be available for the purchase of land, and locally-generated revenue in a relatively poor district like Kibaale district is low.

5.2. *Settlement of non-Banyoro*

Three different ways in which local government contributed to the intensification of the settlement conflict must be explained: the consent to the two resettlement schemes (which was given under a previous legal framework), abuse of office by LC officials and the failure of the District Council to pass a settlement policy.

Since 1997 the Local Governments Act has provided local government with a way of dealing with abuse of office. Most cases of abuse of office took place in LCs rather than Resistance Councils (RCs). The name was changed from RCs to LCs by the Constitution in 1995. Therefore most illegal activities by LC officials should fall under the jurisdiction of the Local Governments Act of 1997. The Local Governments Act (Sec. 15) allows the removal of district and sub-county chairpersons from office on grounds of abuse of office by a resolution supported by two-thirds of all council members. This quorum might have been difficult to reach in practice. Members of the District Executive Committee can only be removed from their positions, but they retain their offices as district councillors. (Sec. 21 (a), (d), 22 (1) Local Governments Act). The Local Governments Act does not provide for the removal of councillors who are abusing their office. The abuse of office by LC officials is thus not effectively addressed under the current legal framework.

Representation of settlers on LCs in the area of the Bugangaizi Resettlement Scheme was high enough to dominate the councils. Some settlers actually managed to abuse this dominant position by illegally allocating land to other settlers. Information on the decision-making process in these LCs is not available, but it is unlikely that illegal allocation of land would be openly debated since allocation of land is not the function of the councils but of the District Land Board. The dominance of settlers does not automatically mean that Banyoro on these councils were underrepresented, since the settlers actually are the (dominant) majority in the area of the resettlement scheme. But the presence of settlers on LCs did make the abuse possible.

Why did the district council fail to pass the settlement policy? The Local Governments Act allocates the responsibility for land administration, which includes the regulation of settlement to the district council (Second Schedule, Part 1, No. 5 (viii) Local Governments Act). The District Council only started debating the

'Land Acquisition, Use and Management Policy' in May 2003. The failure to make use of the provision earlier on may stem from lacking willingness to address the problem. The Land Board was certainly aware of it, as a statement its chairman made in 1996 shows. He was 'embarrassed [...] that the district had never adopted any guidelines' on land policy (*The Exposure*, December 1996).

Can the non-representation of settlers in local government explain the failure to pass a settlement policy? The indigenous Banyoro had an interest in regulating the influx of settlers and stopping illegal settlement or any settlement at all. The interests of the settlers already present in Kibaale would have been to stay there and avoid further illegal settlement or to invite more settlers in order to provide them with a place to live, but also to increase their number and thus have a stronger standing against the Banyoro. Under the chairmanship of Sebastian Sekitoleko (1998-2002), settlers were intentionally excluded from boards and commissions. Therefore Banyoro members had the chance to pass a settlement policy and the settlers could not have stopped them. Kibaale was certainly a convenient place for the national government to resettle people from other parts of Uganda. In the case of the Bugangaizi Resettlement Scheme, the Bakiga settled in Kibaale had been evicted from Mpokya game reserve, in which the national government had a (financial) interest. President Museveni's National Resistance Movement (NRM) has most support in the densely populated south-western districts. Land pressure in these districts was reduced if some of their inhabitants could be resettled somewhere else – and it also ensured their continuing support for the NRM Government and President Museveni. In order to keep Kibaale as a settlement area, both national government and the President may have exerted pressure on politicians in Kibaale district not to pass a settlement policy.

5.3. *Control of political institutions*

The design of local government institutions also had an impact on the management of the political conflict: A plurality system is used to elect the district chairperson. The disadvantage of a plurality system is that the candidate who polls most (i.e. the plurality of) votes goes through – although he may not necessarily have been elected by the majority of the population. In the case of Fred Rurembera, who was elected with an absolute majority (56 per cent), this did not become relevant.

Power is concentrated in the position of the chairperson who is the political head of the district. Although the District Executive Committee does have its competencies, it is the chairperson who nominates the members of this committee and who is perceived as the district 'leader'.⁴ Power-sharing is not possible since the highest political post in the district is attributed to one person and not

to a group of people. This explains the polarisation around the chairperson, but not why it took such a violent form in Kibaale.

Following his election, Fred Ruremera should have been sworn in and served his term as chairman. But what happened instead was that President Museveni 'persuaded' Fred Ruremera to resign by threatening to make use of the emergency provision (Sec. 101 of the Local Governments Act and Art. 202 of the Constitution) to assume executive powers over the district. Fred Ruremera's resignation was not completely voluntary, but forced upon him as the legal framework put him in a deadlock situation. The tense situation in Kibaale met the requirements for President Museveni to assume executive powers over the district: the approval of two-thirds of the members of parliament. This seemed very likely at the time. The second requirement is either a request from the district council to take over, a state of emergency in the district or in Uganda in general or a situation 'where it has become extremely difficult or impossible for [the] district government to function'. In the last case, parliament and not the district council or any other elected body at district level decides whether the district government can still function.

After ninety days the President could have handed back the administration of the district to the incumbent district government. But Parliament could also have decided that the prevailing circumstances still made it 'impossible for the incumbent district government to assume the administration of the district' and the President could have ordered new elections. In this case, Fred Ruremera still would not have been able to stay in office, but would have needed to campaign for re-election. Either way, he would not have been able to serve a full term as chairman.

The intervention of members of the MBC and the Bafuruki Committee explains why George Namyaka was the only nominated candidate for the chairmanship. But it is also a result of the intervention by President Museveni who not only recommended that a compromise candidate should be found, but also that he should be the only nominated candidate. The power-sharing policy George Namyaka applied led to a high presence of settlers (44 per cent) on the District Executive Committee. This explains its stabilising impact. The actual decision to apply power-sharing on the District Executive Committee goes back to the recommendation that was made by President Museveni.

It is questionable whether the specific electoral institutions of local government were a crucial factor in intensifying the conflict. The personalisation of political power in one single individual who represented only 'his or her group' on the contrary, certainly had an impact on conflict dynamics. The intervention of President Museveni, which was backed by legal and constitutional provisions, might have mitigated the violent conflict in the short run. However, it also set a

precedent that ethnic mobilisation against 'outsiders' is rewarded with a political intervention from national government which deprives a democratically-elected district chairman of his office thereby also weakening the legitimacy of democratic procedures within local government.

5.4. *The type of conflict as an explanatory factor*

Types of conflicts can be grouped together in different categories, for example by subject matter. The expectation here is that local government would have the greatest impact on conflicts about political power. Conflicts can also be distinguished according to the level on which they take place: the national level, the district level, concerning both the national and the district level or concerning two or more different districts (see above, Section 2). In this case, one would expect that local government can best address conflicts taking place at district level, but would be progressively less successful for conflicts in which other districts or the national level are involved.

The conflict between Banyoro and Baganda over the ownership of land in Kibaale district predates the establishment of local government. By its nature, the conflict concerns more than just Kibaale district because the Baganda landlords live in other districts. The solution of the conflict by way of compensating the Baganda landlords is outside of the financial scope of Kibaale district local government.

The conflict about settlement of non-Banyoro is open to regulation by local government. In the case of Kibaale, the failure to pass a settlement policy led to a continuing disorganised settlement and an intensification of the conflict. The abuse of office by LC officials took place within the district, but effective provisions to address the conflict were missing and local government failed to make use of the existing provisions. Local government had thus some impact on the conflict settlement.

By its nature, the closest to local government is the conflict over control of local political institutions, the arenas in and through which struggles for political power are carried out. On the one hand, this offers the chance to guide the conflict in such a way that it becomes less intense. On the other hand, conflicts taking place within the structure of local government have the potential to destabilise local government itself. All this could be observed in Kibaale District. The election of Fred Ruremera destabilised local government; his resignation, the compromise chairman George Namyaka and especially the power-sharing policy applied defused the tension.

6. Conclusion

This contribution set out to analyse and explain the impact of local government on conflicts by a combination of factors internal to local government, such as the legal framework and the inclusiveness of local governments, as well as outside interventions and the type of conflict.

In the context of Kibaale, three different conflicts were identified upon which the impact of local government had to be analysed. Roughly 70 per cent of land in Kibaale is '*mailo* land' that belongs to Baganda landowners. Because this land used to belong to Banyoro prior to the 1900 Buganda Agreement, Banyoro still consider the land as their property. The second type of conflict is concerned with the settlement of non-Banyoro in Kibaale. The election of these settlers to local government offices in Kibaale led to the third conflict about the control of political institutions.

Local government had no impact on questions of land ownership. This is explained by the legal framework that does not permit local government to address the conflict, and also by the type of conflict itself as it takes place largely outside the scope of local government.

With regard to the settlement of non-Banyoro an intensifying impact was observed: local government consented to the two official resettlement schemes which led to an increased influx of settlers; settlers within local government abused their positions to illegally allocate land to other settlers; and lastly the District Council failed to make use of its statutory right to regulate settlement. The legal framework in place at the time of the consent largely explains the consent to the resettlement schemes. The abuse of office was made possible by the presence of settlers in local councils (a sign of the inclusiveness of local government) and perpetuated by the legal framework that did not allow local government to effectively address abuse of office. The failure of the District Council to pass a settlement policy can tentatively be explained by the interest of the national government in Kibaale as a settlement area. That interest may have led to an intervention at the district level. At a broader level, one could argue that decentralisation did actually move conflicts about land to a newly-created district which was not well equipped in terms of legal competencies and resources to deal with this complicated issue.

The political conflict was, in a way, the direct result of national decentralisation policies. These policies did effectively increase the political and administrative importance of the district leadership as it was the district land board which was going to discuss and decide the land allocation and compensation scheme. In creating a new district with a demographic majority of settlers, conflicts about the ethnic control of political institutions could easily have been predicted. It is

a combination of objective (changing) population ratios and new institutional constraints (in the form of local government) which largely explain the conflict dynamics. In these new contexts, the mobilisation of the MBC around the issue of Munyoro rights was the crucial variable in triggering off the violent escalation. The Local Governments Act and the Constitution then provided for a procedurally correct way to 'depose' the unwanted District Chairman

The analysis has shown that the ability of local government to address and manage conflicts does indeed depend on a number of critical factors. Whether local government has any impact at all depends on the type of conflict (whether the conflict is open to regulation by local government or not). The type of impact (whether local government intensifies or mitigates conflict) depends on factors such as the legal framework, the potential for outside interventions into local government and the inclusiveness of local government.

In its first chapter, this contribution proposed that decentralisation would contribute to the management of conflicts between different ethnic groups in a district by providing a local arena in which conflicts are carried out in a non-violent fashion. It further proposed that at the local level it should be easier to organise participation of all relevant stakeholders. In the case of Kibaale, these assumptions failed: conflicts were carried out in a violent manner after the elections in 2002. The introduction of inclusive political participation and competitive elections to district chairman led actually to an escalation of latent conflicts among population groups over the access to land. While political participation at the lower levels of local government (i.e. village and county level) remained peaceful, it was the district level where interest groups mobilised along ethnic differences. The most conflict-sensitive element in Ugandan decentralisation policies proved to be the demarcation of district borders. The proportion of settlers in the total population rose dramatically after Kibaale was split from Hoima district in 1991. Kibaale and its history as 'lost county' may represent a special case (which favoured the sentiment of political marginalisation and thus Munyoro ethnic identity). It is, however, not difficult to draw a more general lesson: devolution indeed creates new political communities and institutions with new political majorities and losers that may resort to violence to defend their interests.

Notes

- 1 The author collected data in Kibaale District, Uganda between August and November 2003.
- 2 Author's interview with M. Baguma Isoke, Minister of State (Lands), 22 September 2003, Kampala.
- 3 For a more extended treatment of the Local Government System see Francis and James, 2003, and Wunsch and Ottemoeller, 2004.
- 4 Sec. 19 (1), (3) Local Governments Act.

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8 Decentralisation as a Stabilising Factor in Rwanda

Peter van Tilburg

'A country does not have to be deemed fit for democracy; rather, it has to become fit through democracy' (*Amartya Sen, 1999*).

1. Introduction

There has been a dramatic change in violent conflicts in the world from traditional *inter-state* conflicts to *intra-state* conflicts. From the 1990s onwards, almost all major conflicts around the world are taking place within states. These conflicts are in most cases caused by two powerful elements, which usually operate in combination: strong identity (based on race, religion, culture, language) and imbalanced distribution of economic, social and political resources. The result has been an immense growth of civilian casualties in conflicts, increasing from 5 per cent of all war victims during World War I to 80 per cent during the 1990s (Harris and Reilly, 2003).

How does it happen that people who have lived together peacefully, even coming from the same family, are suddenly standing up against one another? One explanation comes from an author referring to Serbia: 'There is a psychological mechanism that makes it possible for large numbers of basically normal citizens to engage in collective crimes or to accept them without protest. It is based on strong links between members of the group. (...) The primary driving force leading to genocide is not the pathology of individuals, organising and committing the genocide, but the pathology of the ideas guiding them' (Anzulovic, 1999).

In this respect, the question is whether there is a mechanism that would allow governments to keep these conflicts under control. In cases where conflicts have come to a halt, it appears that there are several possible pitfalls that can occur in the post-conflict period. Government can become overburdened by humanitar-

ian projects during the relief phase, armed rebel movements can become part of local governments after a peace deal, a change of regime may enforce a break with the past, and the decentralisation process may be lagging after national elections (Musch, 2005: 8).

There are many examples in the world of ways in which democratic political competition has exacerbated underlying social tensions. On the other hand, however, in the light of distrust among ethnic groups and the shattered social cohesion in traditional communities, democracy, and particularly decentralisation, giving the same rights to everyone at local level, has also been seen as a possible solution in the aftermath of conflicts. In this context the concept of *democratic decentralisation* should be introduced, pooling decentralisation with good governance. This encompasses at least two key relationships: the reciprocal relationship between the central government and local governments, and the relationship between the local government and the local population (Barnett et al, 1997). But still, does democratic decentralisation bridge the past with the future? Decentralisation and participation can at least give people the feeling that they are going to manage their own affairs and control their own future.

The present article intends to elucidate the assessment that in Rwanda decentralisation and the resulting participation of the local population in planning their own future is supporting social cohesion and the drive towards stability. Data have been mainly collected in one of the provinces (the southwestern province of Cyangugu) in the frame of an evaluation of a decentralisation and good governance programme, supported by the Dutch government. Cyangugu has been heavily hit by the genocide, particularly during the period of 'scorched earth' practices in 1994, when Hutu were fleeing to the Democratic Republic of Congo (DR Congo, at that time Zaire), destroying everything in their way.

The history of many African countries is characterised by conflict, largely within their boundaries. While conflicts between states may tend, in some countries, to mobilise national unity and strengthen social cohesion, violent conflicts *within* the state mostly weaken its social framework. Most of these conflicts are known as having caused lots of bloodshed, migration and economic disorder. Often the international community enforces a temporary ceasefire and peace upon these governments. But then the question comes up: how can peace and stability be maintained? The basic perception here is that a minimum condition for stability is that the government formally supports it. However, efforts to develop a free and non-violent society can only be really successful when the population as a whole is involved, independent of ethnic background, race or gender. There should be respect for the rights of every citizen.

It is difficult to define the concept of stability, as it could be suggested that stability is achieved as soon as there is no conflict. This is not the case, though the absence of conflict is doubtlessly a precondition for stability. On the other hand, conflict itself is not necessarily problematic, as it can be a constructive means of social change in those situations where the status quo is unfair or illegitimate. The question raised in this article is: when can we call a post-conflict situation stable and how could decentralisation be an instrument to manage conflicts and maintain stability?

Within this contribution our main concern is political stability, which is defined in general terms as a situation when an enduring, legitimate political order has been secured. This is reached through a consensus on justice by all conflicting groupings: in the first place based on the notion of distributive justice, being a form of fairness; and secondly based on legitimacy. Such consensus is needed to produce a just and stable government, and to achieve political stability (Young, 2000). One way to strengthen an enduring and legitimate political order is to involve citizens through decentralised, local governments. Such involvement at local level is best guaranteed when decentralisation takes the form of *devolution*, i.e. the transfer of competencies from central government to autonomous units of local governance with a statutory or constitutional basis for power.

In the nexus between decentralisation and stability there are two basic elements that require attention: *ownership* and *accountability*. Ownership refers to the situation in which local citizens can manage and decide on their own future. But when only selected groups are in the position to control the future, this may be a source of conflict again. Therefore, a system of accountability is required. In the formal sense it is taken care of by a system called 'checks and balances', referring to a structural division of competencies within government between the executive, legislative and judiciary powers. Accountability relates to a controlling structure, whereby government is directly or indirectly monitored and restrained by an active and a concerned citizenry, covering all groupings in society. Both concepts are inter-related with political participation: the more local citizens (whether or not representing ethnic or other groups) participate in the political process, the stronger the feeling of ownership and the more the system of accountability becomes manifest.

One of the key principles of such democratic practice is to empower civil society and to give it capacities for direct participation in governance. But then those local institutions that are allowed to do this 'checking' should be invested with the necessary resources, power and authority. These inputs are necessary to carry out the required duties, and to raise non-governmental institutions to a level above suspicion and to make them fully accountable towards the citizens. In order to achieve this, conditions should be created, such as proper education and health services,

through which people are enabled to participate. Participation of citizens in the peace-building process is important for its success. The more the local population contributes to efforts to rebuild civil society and create stable institutions, the more it will own the process and the higher it will value the outcome of a peaceful and successful long-lasting settlement (Gizelis and Kosek, 2005; World Bank, 2003). Or, as is postulated elsewhere, citizens with a poor quality of life, and who are given little or no decision-making power are much more likely to re-participate in rebel organisations than those with higher living standards and the ability to participate in the political process (Walter, 2004; see also Jütting et al., 2005).

Another relevant concept used to analyse conflict situations and stability is *social capital*. Social capital is defined in general terms as the internal social and cultural coherence of society, norms and values that govern interactions among people and the institutions in which they are embedded (Colletta and Cullen, 2002). Violent conflicts within a state divide the population, undermine interpersonal and communal groups' trust, and destroy norms and values that underlie cooperation and collective action for the common good. On the other hand, restoration of social capital will support bonds within communities, build bridges between communities, and link state and community levels. In other words, social capital will strengthen society's cohesiveness. However, there is a danger that social capital is being built up within groups, particularly ethnic groups, and would again become a threat to stability. In other words, social capital can be considered a two-edged sword.

Studies on social capital distinguish vertical social capital (cohesion between levelled groups) and horizontal social capital (cohesion crossing the hierarchy) (Woolcock and Narayan, 1999; Colletta and Cullen, 2002). And the conclusion is that the more horizontal social capital is linked with vertical social capital, the more likely society is capable of managing conflicts. In other words, social cohesion between groups at the same level, as well as at different levels, form essential components in the prevention of civil wars. In institutional terms, we can say that vertical social capital is sustained through a system institutionally linking the different levels of society, and horizontal social capital at local level through a structure guaranteeing equal rights of all groups and mutual respect among these groups. Both can be satisfied through decentralisation, being an instrument for managing conflicting interests in a non-violent way through electoral systems, power-sharing, institutional set-up, political rights, the rule of law, mechanisms for representation, and participation of civil society (Large and Sisk, 2006; Harris and Reilly, 2003). This may guarantee a system of accountability and a strong feeling of ownership.

In other words, if decentralisation stimulates ownership among all ethnic or socio-cultural groups at the local level, and allows a system of accountability to be developed, it may support the growth of social capital. This means that to make

decentralisation sustainable it has to be supported at national and local levels. At the national level, support is reflected in government policies, political infrastructure, and government strategies for participation, equality, and accountability. At the local level this is reflected in the number of financial and human resources, the amount of revenue that is generated, the capacity of management in participatory planning, and its accountability and transparency.

Social capital, the feeling of ownership and accountability have a dimming effect on conflicts, whereby decentralisation is restraining decision-makers from using violence (Bohara, Mitchell and Nepal, 2006). What is required from governments? One could say that the quality of governance can be judged by the level that they are able to satisfy at least four criteria: accountability, participation, predictability and transparency (Bratton, 2004; Kudva, 2006). Accountability refers to the answerability of public officials concerning their behaviour; participation relates to the involvement of citizens in the development process as the beneficiaries of this process; predictability concerns a fair and consistent application of laws and the implementation of government policies; and transparency refers to the availability of information to the general public and the clarity about government rules, regulations and decisions.

In addition, the political process should allow a fair share of resources, income and opportunities among all social groups. That would mean that, in order to prevent underlying conflicts reviving again, a long-term human development approach is required, through a sustained programme of not only setting up political institutions that can administer social conflicts but also socio-economic development, improving the well-being of all members of society (Oosterhout, 2002; Robinson, 2003).

Based on what is said above and on experiences with decentralisation in many African and Asian countries, we can say that, in order to achieve financial decentralisation and participative governance, at least five conditions are to be met:

1. Introduction and implementation of appropriate legal reforms, including the legalisation of local institutions and their decision-making power;
2. Institutionalisation of a financial resource base at the local level, through revenue generation and tax collection;
3. Initial assistance to local governments in institution and capacity building by central government, either or not supported by donor organisations;
4. Standardisation of local government's accountability, transparency and responsiveness; and
5. Enhancement of the role and performance of local interest groups in participation.

In the next chapters these parameters are being looked at in Rwanda's context.

2. Genocide in Rwanda

The massacre that took place in Rwanda in 1994 has, in terms of magnitude and speed, hardly any comparison in history: 800,000 people were killed during less than three months. The level of hatred between the Hutu and Tutsi that caused this genocide did not exist in pre-colonial times, when both coexisted harmoniously. Identification with an ethnic group was loose, and was based on whether one belonged to the cultivators or pastoralists respectively. But during the Belgian colonial period the Rwandese were forced to make a choice between these two ethnic identities. The result was that during the colonial period the ethnic dimension of society and its political system became institutionalised. And thus, after independence in 1962, governments were considered either Tutsi or Hutu, marginalising the other ethnic group.

Following the overthrow of the Tutsi government by the Hutu in 1961, the Tutsi faced increasing repression. The combination of an increasing economic and political malaise under president Habyarimana fuelled the existing ethnic hatred. Many Tutsi were forced to seek for refuge abroad. But in 1990 the Tutsi rebel force, the Rwandan Patriotic Front (RPF) led by Paul Kagame invaded the northern part of the country. As a response the Rwandan security forces armed civilians, particularly the Interahamwe. This consisted initially of a group of young men that at the eve of the genocide were attached to the youth wing of the ruling MRND party (Mouvement Révolutionnaire National pour le Développement). But they increasingly showed up at political meetings, dressed up bizarrely in combat fatigues covered with red, green and black coloured cloths in the colours of the Rwandan flag, and carrying machetes and carved replicas of Kalashnikovs. They were later even being trained by the ruling MRND, and participation was stimulated by the propaganda spread by the Radio et Télévision Libre des Mille Collines.

Notwithstanding this hatred, on 4 August 1993 a peace agreement was signed in Arusha between the RPF and the Government of Rwanda in order to end the civil war and to start a peace process that would result in the establishment of democracy and human rights in the country. To keep an eye on the compliance of the treaty and in the light of continued killings and rising tension between the two ethnic groups, the United Nations (UN) sent out a peacekeeping mission to Rwanda. This United Nations Assistance Mission for Rwanda (UNAMIR) was conducted under Chapter VI of the UN Charter and was considered as classic peacekeeping, having only a very limited mandate. This mandate turned out to be heartrendingly insufficient to force both groups to maintain the Arusha accords and to prevent the genocide. The force commander in charge, General Roméo Dallaire, got caught up in the civil war and could do nothing but watch the kill-

ings continuing. His frustrating experiences he laid down in a book, which shows the shameless indecisiveness and powerlessness of the international community (Dallaire, 2003).

The extraordinary eruption of violence had not been foreseen, and the limited mandate of the UNAMIR became clear mid-January 1994. Then there was sufficient proof that there had been a conspiracy to destroy the Arusha Peace Agreement by any means necessary. When on 6 April an airplane coming back from Tanzania crashed, killing the Rwandese President Habyarimana, the President of Burundi Ntaryamira, and the Chief of Staff of the Rwandan Army Nsabiimana, there was no limit any more to the aggression. The Belgian UN troopers were blamed for taking down the airplane, and shortly thereafter ten Belgian soldiers were killed. During the few months to follow, more than 800,000 people were killed, indiscriminate of age, level of education or sex, about two million were forced to flee from the country, and another one million were internally displaced.

After the RPF forces overtook Kigali in July 1994, it was the Hutu militias who had to flee to neighbouring countries, destroying everything on their way. During these days many Hutu were killed in revenge, though the number does not match the number of Tutsi killed. Only two years later, about one million Hutu returned from neighbouring countries DR Congo, Burundi, Tanzania and Uganda, many among them being perpetrators. It is in this historical context that the process of democratisation in Rwanda had to take place.

Officially, the RPF headed a multiparty government, but in practice non-RPF cabinet ministers only retained their positions by the grace of the ruling party. From October 1999 to March 2000 there was a major shake-up in government as the RPF leadership engineered the departure of the Parliamentary Speaker, the Prime Minister, three other cabinet ministers, and finally President Pasteur Bizimungu. In April 2000, President Bizimungu resigned and Vice-President Paul Kagame became the first Tutsi president of the nation. It was Kagame's rebel force that seized Rwanda's capital and put an end to the genocide in 1994.

The new government of President Paul Kagame aimed from the beginning at reconciliation, poverty alleviation and democratisation. In the frame of the reconciliation process, one of the first contributions of development assistance has been the restoration of the capacity of domestic courts to handle the about 125,000 suspects crowded into 160 jails. One way has been the establishment of the so-called *Gacaca*, which is based on a traditional community-based conflict resolution mechanism to expedite the genocide trials. Under the system, local people with integrity in the community are made responsible for trying suspects in villages where they committed their crimes. And as suspects meet their victims, these trials are also intended to facilitate reconciliation at the grassroots

level (Khadiagala, 2004). This system of *Gacaca*, though supporting the process of reconciliation, did not necessarily contribute to development.

In the meantime a new constitution was drafted with a strong focus on national reconciliation, and on eradication of ethnic, regional and other forms of group distinctiveness. Reconciliation is important as it forms the process through which a society moves from a divided past to a shared future (Bloomfield, Barnes and Huyse, 2003). The constitution stipulates that no party can hold more than 50 per cent of the positions in the cabinet, even with an absolute majority in parliament. The new constitution was adopted by referendum in May 2003 with a 93 per cent majority of the electorate. Notwithstanding all these efforts the continued external security threats, including the insurgencies of 1996-1997 and 2001, remain a serious impediment to recovery.

3. Decentralisation in Rwanda

When the two parts of Ruanda-Urundi became independent in July 1962, there was pressure from the UN to federalise as a single nation, but both opted to go separately. Ruanda, in which ethnic violence continued during 1960 and 1961, became a republic, and its name was changed to Rwanda. Historically, Rwandese society already had several social institutions, which are still supporting the implementation of popular participation in the countryside: *Umuganda*, the tradition of working on community projects; *Ubudehe*, the tradition of mutual assistance; *Gacaca*, the tradition of communal resolution of disputes; and *Umusanzu*, the tradition to support the needy and contribute to the achievement of a common goal (Government of Rwanda, 2002 [1]).

The first presidential election in Rwanda was won by Grégoire Kayibanda, the leader of the interim provisional government. The name of his party, the Parti du Mouvement de l'Emancipation du Peuple Hutu (Party for Hutu Emancipation), indicated the standpoint of the government policy. In 1973 Kayibanda was removed from power through a coup and a Major General, Juvénal Habyarimana, replaced him. Habyarimana remained in power for twenty-one years until 1994, running a conventional self-serving military dictatorship. But his Hutu ethnic policy created an increasing problem on Rwanda's frontiers. Over the borders there was a vast number of mainly Tutsi refugees, who, as time passed, became increasingly unwelcome in their host countries and efforts to send them home were frustrated. This all led to the atrocities that followed.

This all implies that between 1962 and 1994 no decentralisation has taken place in Rwanda. However, less than five years after the genocide and RPF's military victory, the present government of Rwanda started taking up the process of de-

centralisation seriously. The government aimed at implementing the programme of the October 1993 Arusha agreement, which foresaw a government of national unity. It has set up decentralised institutions and powers, with the declared aim of maintaining stability by destroying the political machinery that facilitated the genocide (Human Rights Watch, 2006). Its efficiency in doing so and the lack of much political opposition may have supported this development (Kayizzi-Mugerwa, 2000).

In today's Rwanda, besides national government, there are four levels of governance: provincial, district, sector and cell (village) level. In March 1999 the first election of councillors and local representatives at cell and sector level took place. But only in 2001 were elections held at the level where devolution takes place, the district. These were followed by parliamentary elections in 2003. During the 2001 elections, an RPF-controlled National Electoral Commission supervised the process. It appeared that local and international observers registered very few electoral malpractices, though the elections were far from satisfactory. Nevertheless, the participation rate was 90 per cent (International Crisis Group, 2001). A year later fresh elections took place for the executive committees at cell and sector level.

At national level, in 2001 the Ministry of Local Government and Social Affairs (MINALOC) was established to implement the decentralisation policy in the country. The purpose was to ensure political, economic, social, administrative and technical empowerment of the local population in order to fight poverty by participating in planning and management of their own development. Within the Ministry a special Decentralisation Management Unit (DMU) was set up to guide the decentralisation process. In a policy document of MINALOC several objectives have been listed, basically focusing on stimulating local people to participate, making the political process more transparent, improving the planning process, and setting up a proper monitoring system. In order to achieve the overall objective to maintain stability, the government has formulated five official objectives of the decentralisation policy (Government of Rwanda, 2002 [2]):

1. Strengthening the coordination and harmonisation of all stakeholders and players in the implementation of the decentralisation policy;
2. Building and strengthening the capacity of central government ministries and local governments for the implementation of the policy;
3. Increasing and expanding the revenue base and generation capacity of communities, and strengthening financial management and accounting capacity in local governments;
4. Effectively operationalising a common development fund to support development projects in governments; and
5. Effectively decentralising service delivery to the local governments.

Decentralisation in Rwanda is implemented as devolution at the level of the *district*. In addition there are other administrative layers: the province between central government and districts, and sectors and cells below the districts.¹ Mayors who are directly elected by the local population serve as political heads at district level, while the top official at province level (prefect) is nominated by central government. Devolution can be considered as the process of delegating the power to district councils, the Community Development Committees (CDCs) and the women's associations. The district councils are the political institutions at local level where decision-making takes place. The CDCs are the local developmental institutions, explicitly set up for communities at local level to participate.

Districts are entitled to collect certain taxes, like property tax, licence tax, and rental tax. In addition they can impose taxes to be decided by the council, such as advertisement taxes and market taxes. Government is stating that presently nation-wide ten times more tax is already being collected than during the time that tax was collected centrally. The collection of taxes may even improve when sanctions are to be imposed on defaulters.

In the meantime, the Government of Rwanda has embarked on a comprehensive Public Sector Reform and Capacity Building Programme under supervision of the Ministry of Public Services, Skills Development, Vocational Training and Labour. The project is based on the vision that good governance requires an effective and efficient functioning of the civil service at all levels and all departments to ensure transparent and accountable management of public services.

The government has phased the implementation of decentralisation in the country into three periods. A first period of three years, from 2001 to 2003, was considered as a period during which decentralisation had to be institutionalised. During that period three key institutions were established: the Common Development Fund (CDF) for funding development projects in the districts; the Decentralisation Support Units in most of the ministries and provinces, as well as some private organisations and NGOs whose interest are at district level; and the Rwandese Association of Local Government Authorities (RALGA), formally inaugurated in May 2004.

A second period of five years, from 2004 to 2008, is intended to be used as a period to entrench and deeply root not only the decentralised institutions, but also to put into effect comprehensive administrative reforms that involve numerous stakeholders. This is worked out in the National Five-Year Decentralisation Implementation Programme (DIP) (Government of Rwanda, 2003). Recently the DMU at MINALOC has been transformed into the National Decentralisation Implementation Secretariat (NDIS). This transformation signifies the emphasis the Government of Rwanda is putting on having moved from the preparation phase of decentralisation to the implementing phase. Finally, a third phase of

seven years is foreseen (2009-2015) as a consolidation phase, and to refine approaches, methodologies, tools, etc.

The government has produced a Poverty Reduction Strategy Paper (PRSP), which indicated in 2002 that 5 per cent of domestic revenue would be transferred to the development fund for poverty reduction, though up to the present the actual amount has been less than a quarter of what was promised. Moreover, it says that central government will ensure that the districts have enough resources to carry out the functions assigned to them, put in place simple systems to facilitate the flow of funds and management information, and provide the districts with guidance and support for capacity building (Government of Rwanda, 2002 [1]).

One of Rwanda's key objectives, as formulated in a long-term social and economic vision, is good political and economic governance (Government of Rwanda, 2000). Good governance is considered as essential to successful development and is therefore related to the other key objectives: rural economic transformation, development of services and manufacturing, human resource development, development and promotion of the private sector, regional and international economic integration, and poverty reduction.

But any institutional development can only become successful when stakeholders are able to understand the meaning of democratic institutions and are able to participate in political and economic processes. In this respect education is of utmost relevance. The importance of primary education has been recognised and a World Bank study indicates that, despite the untold havoc caused by the genocide, the education system in the country has recovered remarkably well, at least quantitatively (World Bank, 2004). The education sector has been supported by several donor organisations.

4. Decentralisation as a Stabilising Factor in Rwanda

The recent history of Rwanda has been extremely violent. During the country's recovery, many people, local as well as foreign, have asked themselves how genocide could possibly have happened. Particularly as intellectuals have been involved, accepting anti-civilised, retrograde values, and even having been instigators of the worst of crimes little more than a decade ago. Nevertheless, during the past ten years the country has become relatively composed as social capital has slowly been built up. But the situation in Rwanda could still not be called completely stable, as the government is accused of still being involved in war activities in the DRC, resulting in, among other things, external security threats.

As has been stated above, social capital is a double-edged sword, bridging as well as splitting, social groups in society. In 1994, due to the de-linking of vertical

social capital (the network between the central Hutu government and the local Hutu population) and horizontal social capital (the social cohesion between ethnic groups), and at the same time a concentration of social cohesion within these ethnic groups, the killings became almost a matter of course for many Hutu. Others have analysed it as having become even a duty, commissioned by the media and sanctioned by the government (Colletta and Cullen, 2002). Presently we can see that, because of the earlier ethnic clashes, the feeling of group cohesiveness is still strong. The present government, however, is no longer talking about Hutu or Tutsi, but only about Rwandese. It is stimulating social institutions that cut across traditional cohesive groups forming new links that cross ethnic lines. These institutions can provide the basis for mediation, management and the resolution of conflicts. Decentralisation and participation have been promoted along with initiatives to improve social cohesion between ethnic groups within Rwanda.

A number of reasons have been given to explain why decentralisation is still being practised to a limited extent in Africa and why it has such a poor track record. Central governments have not been able to set up the required basic institutional infrastructure with adequate power attached; have insufficient capacity and finances; have been confronted with a strong 'resistance to change' that exists for powerful actors; and/or have hardly any experience with engaging local communities in effective, bottom-up planning. The result has been that instead of listening to the poor for decision-making at local levels, there are cases where decentralised local governments just copy the environment that previously occurred at central level.

Rwanda appears to deviate from this picture. The government has explicitly stated that it aimed at a political order that is legitimate and stable. Backed by appropriate laws, it has implemented decentralisation through devolution at the level of the district. At this level local participation is being guaranteed through local bodies (district councils and Community Development Committees) whose members, including the mayor who holds the chair of the council, are directly elected by the local population. Moreover, districts are entitled to collect certain taxes, though this has still not yet been effectuated to its fullest extent. All this has resulted in a situation that citizens became involved in the performance of local public duties, particularly through the district councils and CDCs, widening the basis of political participation. In discussions with local citizens, it was made clear that these grassroots approaches have increased the feeling of ownership and strengthened accountability. Being intended as problem-oriented, these measures have formed elements in developing vertical and horizontal social capital in the country.

However, though Rwanda has seriously embarked upon this decentralised approach, the situation in the country is complex. The impact of the genocide on

the social structure of society as well as the psychology of the citizens is still tremendous. Many survivors are heavily traumatised, countless children are orphaned (nearly 40 per cent of the children up to the age of eight in 1994 have lost at least one parent, which makes it one of the highest orphanhood rates in the world), and many women have borne children from their rapists. One-third of the families in the country are headed by widows, unmarried women who are often still very young, or wives from genocide-suspected prisoners, with an average number of seven young dependents. Even at present, two-thirds of all the basic productive labour force in the country is still female. These psychological, and often also physical, scars cannot easily be wiped out. Though government is no longer making a distinction between Hutu and Tutsi, presently the majority of the population is said to be Tutsi, like the President, as a large part of the Hutu are still hiding in surrounding countries.

Moreover, the agriculture-based economy of the country was completely destroyed, with an output reduction of 42 per cent, forcing the greater part of the population to live in extreme poverty. The GDP was reduced by 50 per cent and so was per capita income. Due to the shortage of land and the difficulty for women to inherit land, many young girls who have suddenly found themselves heads of families do not have any economic security and protection. A study undertaken on the relationship between the role of women and war in Rwanda has found out that these girls live in a permanent climate of insecurity and are vulnerable to attempts at intimidation and sexual assault (Gervais, 2004).

However, through their women's associations at district and lower levels, many women have gained access to means of production that have allowed them to improve their living conditions, for a large share even getting beyond the subsistence stage. Within these associations democratic rules are usually applied and women learn how to vote for their leaders in an indiscriminate way. These platforms allow the members to exercise their rights within the community. These women's associations have become very important democratic institutions within local society. And one other success of Rwanda is that presently women take 49 per cent of the seats in the national parliament, being the highest percentage in the world!

Another important institution that the government has established is the Common Development Fund (CDF). The fund, initially set up independent from government, has the task to generate finances for development purposes. Local district governments form the target group and can apply for support by the fund for development projects. These district development projects are supposed to be prepared by the CDCs. The government is stating that it will accommodate the fund with 5 per cent of the national GDP, and several donors are also passing funds for programmes and projects through the CDF. This has resulted in some modest economic development at local level.

The majority of the rural population, however, is still very poor. Due to poverty in several parts of Rwanda, local governments are still trying to find out how to deliver basic human needs, such as water, schooling, and garbage collection. The government, being aware of this, initiated its Poverty Reduction Strategy Paper in 2002, indicating a long-term and sustainable economic development (Government of Rwanda, 2002 [1]). However, in practice it has not yet done much about its implementation. The international donor community has stressed that expenditure on the military should be reduced in favour of the social sector. The touchstone for Rwanda is whether it is able to offset the different budgetary demands against security and democratisation. Moreover, it has the challenge to build up a sustainable middle class and at the same time to strive for limited inequality.

The doctrine that central government in Rwanda is propagating is adorned with concepts such as accountability, transparency and responsiveness. Devolution in Rwanda has increasingly become entrenched through a bargaining process among the stakeholders concerning the designation of tasks and powers. Initially the bargaining power of the municipalities was still limited. Municipalities still had to find ways as to how to merge common interests and how to set up interest groups as offset against central government. The establishment of the Rwandese Association of Local Government Authorities (RALGA) has improved the bargaining position of the districts.

RALGA's mission statement is to strive for and to build on already-instigated developments towards an efficient, effective, transparent and accountable local government system in Rwanda. This demands that local authorities in the country will become places free from injustice, corruption, nepotism, segregation, sectarianism and any other malpractice that may hamper good governance and deter the decentralisation process that the country and its government have adopted as a vehicle for service delivery and a tool to alleviate poverty. In realising this, the Association has been given three mandates: representation of the districts as its members, lobbying for the districts with central government and abroad, and building capacity in support of local government and civil society.

As stated above, decentralisation has been implemented at district level through setting up democratic institutions. By doing so, the basis for establishing sufficient social capital to manage conflicts has been laid. However, management capacity, particularly in participatory planning, is still low and financial and human resources are still restricted. But local governments, in order to improve their management capacity and financial base, are supported by foreign donor organisation, whether or not via RALGA.

In Rwanda, before the genocide, there had not been any experience in local government, nor in citizen's participation, except for traditional power structures. Therefore, capacity building in Rwanda is considered a top priority and it is also

strongly supported by the international community. This concerns not only capacity for local administrators and council members, but also for civil society. The planning process in Rwanda is supposed to be built up as much as possible based on local participation and bottom-up planning. The government strategy for participation is aiming at a vibrant civil society, whereby many different interest groups are taking part in local decision-making. This strengthening of the self-help capacity of local government at district level forms the engine for establishing economic recovery, and for guaranteeing a stable and peaceful situation. This has been recognised by donors (like the UN, European Commission, World Bank and many governments) by concentrating their support on these interventions.

It could be concluded that in Rwanda the decentralisation process has fulfilled the conditions that are indicated above. The necessary legal reform has been implemented, formalising local authorities. Moreover, local government has been enabled to enhance tax revenues, and is supported in replenishing its lacking capacity. Supported by the international donor community, capacity building has been taken up by institutions at district level, but also at provincial and national level, including RALGA. The government has even initiated a reform of the public sector. Moreover, government has articulated its intention to standardise local government's accountability, transparency and responsiveness, but this is still in process and requires more time. Part of the problem is that each of the twelve provinces is being supported by a different donor, each following its own approach. This means that donor coordination that should be taken up by central government, is not taking place effectively, which does not necessarily indicate a lack of national ownership of the process, but rather a lack of political will and administrative capabilities.

Finally, civil society and participatory institutions have been supported and their roles enhanced. This has initiated a bottom-up planning approach, particularly through the CDCs. It has consequently increased the sense of ownership among all groups at local level, and strengthened a system of local accountability. On the other hand, it could be stated that the ethnic balance in the country is still very unstable, as the majority of the villagers are Tutsi. Hutu who escaped to bordering countries are slowly returning. Reconciliation, being one of the credos of government, has been institutionalised through the system of *Gacaca*. It is, however, difficult to foresee whether the present institutional and social structure and the stock of social capital that has been built up is sufficiently sustainable to resist the increasing number of returning Hutu in the communities in the near future. It is not only a question of delivering sufficient services to improve the living conditions of all groups, but also of setting up a system to allow Hutu refugees to get a 'feeling of ownership' as well. On the other hand, government cannot explicitly develop a pro-active strategy in dealing with the returning Hutu, as the official government policy does not make a distinction between Hutu and Tutsi.

5. Conclusion

Post-genocide Rwanda had an acute need for political reform, aiming at justice and a new sense of national identity and social cohesion. An open debate at local level has started that is based on a collective responsibility for development needs. The aim is that such a mentality should replace the culture of passive obedience, which left people open to political and sectarian manipulation. Decentralisation has become instrumental in achieving a feeling of ownership at local level. It increases the probability of economic development and at the same time enhances the aspiration of cohesion.

Based on these developments in Rwanda, we can conclude that the process of decentralisation and the accompanying attempts towards good governance have contributed to a more legitimate political order, i.e. a more stable political context than before 1994. However, the process is not yet irreversible. The intense participation of the local population in its own development, including in the process of reconciliation, has certainly had a stabilising effect, as it developed social cohesion (or social capital) and has reduced the chances of returning to political turmoil. However, as participation of civil society is not fully accomplished in the country, and consequently the feeling of ownership is not strong enough, stability cannot yet be guaranteed. That would mean that a full assessment of the performance of the local government system in delivering economic and political stability has to wait until the end of its comprehensive implementation period in 2008.

In general it could be concluded that Rwanda has seriously embarked upon the road to decentralisation and local democracy as has been laid down in policy documents and multi-annual plans. Several required conditions have by and large been fulfilled: relevant legal reforms have been put through; revenue generation has been approved by the districts; institutional and capacity building activities have been embarked upon and been supported by the donor community; accountability, transparency and responsiveness have been stimulated at local level (also with support from RALGA); and local civil society has slowly become established, particularly the women's associations. And in terms of reconciliation, government has stimulated a system of transitional jurisdiction by means of *Gacaca*.

The question still stands what the chances are that these results will sustain. The major constraints in the country are still distressing poverty and disturbing lack of capacity at all levels. And, moreover, the establishment of a stable social infrastructure, consolidated by horizontal and vertical cohesion, crossing all ethnic groups, may still take a long time to be realised. And last but not least, as in so many African countries, much depends on individuals. It is hard to foresee what

will happen when the present president, who is of Tutsi origin, is replaced. All these factors make the political situation in Rwanda still unsteady. But notwithstanding these restraints, one could generalise by saying that in Rwanda, where the government has explicitly implemented devolution as a means for political stability, decentralisation has contributed to improved service provision, to poverty reduction, and indirectly to political stability.

Note

- 1 Local government is implemented in 106 districts (fourteen of which are municipalities), located in a total of twelve provinces, and covering 1,545 sectors and 9,176 cells.

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9 Conclusion: Decentralisation – No Shortcut to Development and Peace

Christof Hartmann and Gordon Crawford

Proponents of decentralisation anticipate many positive outcomes, inclusive of benefits in terms of poverty reduction and conflict management. The case studies in this book have subjected these claims to empirical investigation in the context of Sub-Saharan Africa. What are the overall findings from the country studies? This concluding chapter outlines the findings in three main sections. First, the extent to which decentralisation has contributed to poverty reduction is discussed, inclusive of consideration of key constraints. Second, the impact of decentralisation on conflict management is summarised, highlighting both direct and indirect effects. Finally, the prospects for decentralisation in Sub-Saharan Africa are examined, both as a policy agenda and as a research topic.

1. Decentralisation and Poverty Reduction

In comparing the four country case studies, one immediate observation is that they have utilised different methodological approaches to explore the impact of decentralisation on poverty levels. Steiner considers a number of challenges that constrain the implementation of decentralisation reforms in practice, ones which diminish the prospects for pro-poor outcomes, and then examines the extent to which such challenges have been evident in Uganda. Chinsinga takes a similar tack in highlighting the extensive implementation problems in Malawi, described as ‘inconsistent, *ad hoc* and disjointed’, while focusing more narrowly on the ‘strategic political calculations’ that underpin such problems. Crawford undertakes an empirical assessment of the impact of decentralisation on poverty levels in two rural districts in Ghana, examining access to basic services and household income levels. Van Dijk takes a broader sweep in assessing the overall contribution of decentralisation to local development, with more reliance on quantitative indicators such as financial flows and income distribution. Such variations in

methodological approach are a strength of this study, we hope, enabling the linkage between decentralisation and poverty reduction to be explored in a variety of ways. Therefore, what are the overall findings?

1.1. *Has decentralisation led to poverty reduction?*

The findings are largely negative in three of the four country case studies (Uganda, Malawi and Ghana), and only in Tanzania are outcomes perceived more positively. The lack of a positive impact is most evident in Malawi where Chinsinga concludes that decentralisation reforms have had 'no discernible impact on poverty reduction' since their introduction a decade ago. In Ghana, the evidence leads Crawford to conclude that decentralisation has had a limited and fairly insignificant impact on rural poverty levels. Uganda has been praised for the scale and scope of its devolution initiative, yet Steiner finds that implementation shortcomings have restricted the expected impact on poverty. A more positive scenario is portrayed in Tanzania, however, where Van Dijk argues that decentralisation has contributed to local development and poverty reduction through generating increased flows of goods, services, capital, ideas and people.

1.2. *What accounts for the various outcomes?*

Taking the more positive case of Tanzania first, Van Dijk identifies three main instruments that have been responsible for poverty alleviation at the local level: income transfers; provision of services and infrastructure; and employment creation. These three aspects tend to be interconnected and mutually reinforcing. The key enabling factor appears to be the increased finance made available to local governments from the Local Government Support Programme, funded by the World Bank and other international donors. This has provided local governments with grants for local infrastructural development and service provision, especially in the areas of roads and water supply, which in turn has created economic opportunities for local entrepreneurs and employment for local people. Although rural-urban migration has not reduced as much as hoped, the number of people returning to the rural areas has increased, linked to the enhancement of economic opportunities at the district level. A virtuous cycle is completed by the increased opportunities for local taxation, in turn allowing local authorities to undertake more development activities. While most welcome, such positive outcomes would seem to be highly dependent on the availability of external funds, in the context of a donor-driven decentralisation process. The negative side of donor-driven processes is not examined here in Tanzania, but are clearly highlighted in the Malawi case, notably the lack of central government commitment.

In both Uganda and Malawi, the lack of a positive impact on poverty levels is explained mainly by the difficulties encountered in fully implementing decentralisation reforms. Steiner makes this point most explicitly with regard to Uganda. She notes that 'decentralisation is a highly complex reform process' which requires comprehensive changes in political, administrative and fiscal structures, and outlines a series of implementation 'challenges' that constitute significant constraints on achieving poverty alleviation. Such challenges relate to both the demand and supply side of decentralisation, examining the participation of the poor in making their needs known on the one hand, and the responsiveness and accountability of local politicians and officials on the other. The presence of such constraints on what Steiner terms the 'proper implementation' of decentralisation in Uganda largely accounts for why decentralisation has not had a significant impact on poverty levels in the short-term. But this does not lead her to question decentralisation *per se*, or its anticipated benefits in the longer run. She concludes by clearly stating that 'it is not decentralisation in itself that is disappointing or deficient but the implementation of the same'. In her view, decentralisation's 'potential for poverty reduction is not (yet) fully tapped' in Uganda, with the implication that fuller implementation of decentralisation reforms should realise pro-poor benefits in the longer term.

A similar view is expressed by Chinsinga in relation to Malawi, despite the very bleak picture of decentralisation reforms there. He also concludes by emphasising decentralisation's 'potential to lead to political participation and poverty reduction, but such outcomes depend very much on how it is implemented'. Yet the gap in Malawi between potential and actuality is vast. Of the four country case studies, the failures of decentralisation are most evident in Malawi and the obstacles to possible pro-poor outcomes are the most substantial. The dangers of a donor-driven process that does not have local support are also apparent. Despite the adoption of a decentralisation policy by the Government of Malawi since 1998, strategic political calculations by both national and local elites have undermined implementation. Chinsinga's analysis highlights both resistance from national political actors, unwilling to accept a loss of power and authority, and power struggles between local elites for capture of limited local government resources. The outcome is a barely functioning local government system, at least not in democratic terms, with the prospects of pro-poor policies remaining very remote. At the time of writing, local elections had been repeatedly delayed since the expiry of the inaugural term of office of district assembly councillors in 2005, with a presidential declaration having handed all powers at district level to the central government-appointed district commissioners. Indications are that local government elections are unlikely before 2009. For Chinsinga, it is a huge paradox that decentralisation reforms have almost completely stalled, given that

several poverty reduction initiatives in the past decade have championed decentralisation as their overriding implementation strategy.

Democratic decentralisation is also incomplete in Ghana, with various democratic deficits noted by Crawford, although political structures are considerably more established there than in Malawi. A 'participation-accountability' gap partly accounts for why decentralisation has had a limited and largely insignificant effect on local poverty, with local enthusiasm for participation in decentralised structures not resulting in more responsive and accountable local government. Yet, Crawford strikes a note of greater caution. Rather than retaining faith in decentralisation's *potential* to deliver pro-poor outcomes, he questions the likelihood of a positive linkage between decentralisation and poverty reduction for three main reasons. First, enhancing local political participation is not a sufficient condition for pro-poor decentralisation, with attention also required to strengthen downward accountability mechanisms. Second, as the case of Malawi also demonstrates, reliance on central government's 'political will' to implement 'decentralisation from above' is misplaced – central governments do not willingly give up power and authority and indeed often manipulate decentralisation policies to their own advantage. Third, implementation is not a technical exercise but a political one, with the achievement of genuine devolution likely to depend on pressure from below. An element of Chinsinga's analysis is similarly chastening. While acknowledging that decentralisation reforms can in principle create new political spaces for the marginalised and disadvantaged, he notes that such 'invited spaces' can degenerate into a prerogative of the state, one that can be 'strategically limited, controlled and even closed altogether', as the Malawian case seems to suggest.

1.3. *What have been the key constraints?*

It is recalled that nine implementation issues were outlined in the introduction to this book (pages 14-16), noted by various authors as having the potential to adversely affect the realisation of the anticipated benefits of decentralisation. This section returns to each of these nine issues and undertakes a comparative analysis of their presence in the four poverty-oriented country case studies. What indications are there of these various challenges acting as constraints on decentralisation's impact on poverty reduction?¹

First, a strong legal framework exists in the cases of Uganda, Ghana and Malawi, with decentralisation provisions included in the national constitution and in local government acts. These legal provisions all contain the objective of devolution, with Uganda being regarded as one of the most radical devolution initiatives worldwide. Yet in reality decentralisation has been a mixture of devolution and

deconcentration in all cases, with central government line ministries continuing to play a key role in local affairs. This is particularly so in both Ghana and Malawi, and also relatively so in Uganda. Thus it is clear that a strong legal framework may be a necessary but not a sufficient condition for successful devolution. Similarly, strong legal backing will enhance but not guarantee the prospects of decentralisation leading to poverty reduction.

Second, a clear division of responsibilities between local and central government is evident in Uganda, at least on paper, given the comprehensive and precise manner that these are outlined in the Local Government Act. Yet even here a gap between theory and practice remains, with Steiner noting that line ministries have *de facto* retained substantial power over local policy-making. Elsewhere the division of responsibilities is less clear and the discretionary authority of local government is limited. In Ghana, responsibilities are very blurred in practice between the District Assemblies and deconcentrated line departments, with DAs having few devolved functions where full authority and responsibility rests with them. In Malawi, central government resistance to decentralisation means that functions still remain in the hands of line ministries. The division of tasks, functions and responsibilities between line ministries and the district assemblies were to be outlined in sector devolution plans. Yet, severe delays meant that the tenure of the elected assemblies had expired by the time this process was completed in 2005, with fresh elections not yet held. In Tanzania, it is also noted that there is a discrepancy between the system on paper of functions and responsibilities between different levels of institutions and how it works in practice. As noted earlier, Jütting et al. (2005: 641-42) highlight a clear division of functions between local and central government as a necessary condition for successful decentralisation and poverty reduction, yet this has not been satisfactorily realised in any of the country case studies examined here.

Third, with regard to human and financial resources, findings are generally of inadequate and insufficient levels, with adverse implications for the capacity of local governments to perform their assigned functions and for the prospects of poverty reduction. Focusing here on financial resources, local governments in all four studies depended on central government transfers supplemented by their own revenue collection, with additional funds at times available from donor decentralisation support programmes. One noticeable difference was in the proportion of central government income transferred to local level, with Uganda's ambitious devolution programme resulting in 30 per cent of the Ugandan government budget being transferred to local government, whereas only 5 per cent of total government revenue is required by law to be transferred to local government in both Ghana and Malawi. Local revenue generation was low and problematic in all cases for a variety of reasons, ranging from the poverty of the local communi-

ties and the regressive nature of local taxation to a lack of administrative capacity. Local tax collection was described by Steiner as the 'principle problem' in Uganda, with the need to 'design and implement a good [local] tax system' also noted by Van Dijk in Tanzania. Only in the case of Tanzania was the adequacy of overall available funds not commented on negatively. Here it was reported that decentralisation had led to an increased flow of financial resources to local areas, with positive spin-offs for the local economy and local development. Elsewhere the inadequacy of funds for poverty reduction purposes was highlighted, including in Uganda where the larger transfers of funds from central government still remained insufficient to cover the more extensive range of functions and duties assigned to local government. Financial problems were the most extreme in Malawi, where the financial base of local government was described by Chinsinga as 'very weak and fragile'. This was attributed mainly to central government's failure to transfer the legal minimum of 5 per cent of total revenue, only managing between 2 and 3 per cent per annum since 2000. In Ghana, the 5 per cent constitutional minimum had been provided, albeit irregularly and often delayed, and central government transfers had increased in absolute terms, yet DAs suffered from significant financial constraints. A further issue raised in two country cases concerned the provision of conditional grants by central government, undermining the discretionary authority of local governments. In Ghana, central government earmarks on expenditure amounted to 41 per cent of the District Assemblies Common Fund (DACF). In Uganda, Steiner noted that the provision of conditional grants meant that central government ultimately decides how money is spent, contrary to the emphasis on the 'informational advantage' of local government within decentralisation discourse. Finally it was observed that local governments remain dependent in many instances on donor funds to implement development activities, also questioning the extent to which decision-making processes are locally-driven. In one district in Ghana, if the activities in the five-year development plan were to be implemented, then almost 60 per cent of total funds would need to be raised from external donor sources. In Tanzania, the contribution of the multi-donor Local Government Support Programme (LGSP) was noted positively, yet donors' financial input also gave them membership of the LGSP's Steering Committee and the ability to influence policy direction. The financial constraints affecting local governments in all country cases have clear implications for their ability to tackle local poverty, even assuming the local political will to do so. It is evident that central governments are more willing to relinquish functions and responsibilities than they are to provide the commensurate resources to tackle these.

Fourth, the relative weakness of legislative bodies and of locally-elected councillors was noted in Uganda, Malawi and Ghana. Different aspects of this issue

were explored in the country studies. At one level, it was felt that local councillors were often not fully aware of their powers, duties and responsibilities due to inadequate training and a low level of education, as discussed in the case of Uganda. Different education levels were also seen as a significant cause of the conflicts between local councillors and civil servants in Uganda, with some reluctance by the latter to be guided by and accountable to the former, given their higher educational qualifications. At another level, a more political interpretation of the relative weakness of elected representatives was explored in Malawi and Ghana. The situation of elected councillors was particularly dire in Malawi, with the current collapse of the District Assemblies as deliberative organs. Following their election in November 2000, it is reported by Chinsinga that most councillors became 'either dormant or resigned', with the terms of conditions for councillors not meeting expectations. The weakness of the local councillors was also evident in the various power struggles waged with other district-level stakeholders, namely local MPs, traditional chiefs and district secretariats. Subsequently, new local elections have been repeatedly postponed, not likely now until 2009, with delays driven by political calculations, as Chinsinga explains, with the President's party reckoning that the longer the delay, the better it will suit them. In Ghana, a similar, if less extreme, process of marginalisation of elected representatives has occurred, one in which the specific intent of local executive bodies to constrain their activities is more evident. The politicised and centrally-directed nature of this process is particularly clear given that the District Chief Executives, in whose hands power is concentrated, are not civil servants but ruling party political appointees. The problems encountered by elected representatives, especially in Malawi and Ghana, question the degree of democratic decentralisation and raise issues of democratic deficits. Such deficits clearly have an adverse impact on the prospects for poverty reduction, given the potentially positive role that could be played by elected representatives on behalf of their poor constituents.

Fifth, the anticipated increase in local political participation, on which many of the expected benefits of decentralisation is based, inclusive of poverty reduction, was found to be limited in practice in most cases. Steiner's findings in Uganda were of a restricted level of popular participation. She reports that 'local officials generally do not provide sufficient space for citizens to get involved in decision-making, and citizens often prove to be ignorant about the opportunities offered by decentralisation', concluding that more time is needed for a participatory political culture to evolve. Again, the failures in Malawi were of a greater degree, with Chinsinga stating that decentralisation reforms have not promoted meaningful political participation at local level, largely due to the non-functioning of sub-district participatory structures. The picture in Ghana was somewhat different. Crawford's findings were that local people had often taken advantage of available

opportunities for political participation, both electoral and non-electoral, though he also noted the collapse of sub-district structures. In Tanzania, the encouragement of popular participation in the planning and implementation of local development programmes was noted by Van Dijk as an important goal of local government reform, but with little indication as to whether such a goal has been achieved. Limitations on popular participation clearly affect the ability of the poor majority to state their claims either directly to local authorities or indirectly through their elected representatives.

Sixth, more accountable government is claimed as one of the benefits of decentralisation and also regarded as crucial to successful decentralisation and poverty reduction, yet it had not been achieved to any significant degree in any of the case studies. In Uganda, Steiner found that two key lines of accountability were both lacking, with low levels of accountability of civil servants to elected councillors and of local councillors to the population. In Malawi, the failure to establish and strengthen local democratic structures and processes, notably the role of elected representatives and of participatory sub-district structures, meant for Chinsinga that decentralisation had 'not fostered any form of downward accountability'. In both of these cases, the lack of accountability was attributed to limited participation, rightly noted by Steiner as 'a precondition for accountability'. Yet participation may be a necessary but not a sufficient condition for enhancing the accountability of local government. Findings in Ghana emphasised the de-linkage between participation and accountability, with reasonably high levels of political participation by local people *not* resulting in increased downward accountability. Various shortcomings were highlighted in the two related lines of accountability – the accountability of the local executive to elected representatives, and that of elected representatives to the public. Such local shortcomings included, for example, the weakness and neglect of the sub-committee system of the district assembly and of sub-district structures. These weaknesses in representative and participatory structures were contrasted with the considerable powers of the unelected District Chief Executive, whose unofficial role is to strengthen local support for the national ruling party, and who remains upwardly accountable to the president, not downwardly accountable to local citizens. Additionally, in Ghana, accountability to half of the population was compromised by the lack of representation of women in all aspects of the district assembly system, a situation doubtless replicated in other countries where there is no quota system for women representatives. To its credit, Uganda has guaranteed representation to women, as well as other disadvantaged groups, through reserved seats in local councils. In all countries, increasing the potential impact of decentralisation on poverty reduction is dependent on strengthening those accountability mechanisms that are an integral part of the structures and processes of democratic decentralisa-

tion. Yet this is difficult to achieve in cases like that of Ghana where ostensible decentralisation is replete with mechanisms of central control.

Seventh, it was noted earlier that 'political will' or 'political commitment' at central government level has ubiquitously been seen as the key requirement for successful decentralisation, including by analysts of the linkage between decentralisation and poverty reduction. The case studies here have reaffirmed, however, that such political will cannot be taken for granted, even where relatively strong legal frameworks exist. The lack of central government political will, and its damaging impact, was most evident in Malawi. The prevalence of what Chinsinga terms 'power politics' at both political and bureaucratic levels has drastically affected the prospects of implementation of decentralisation policy reforms. At the political level, the commitment to decentralisation has waned since its introduction over a decade ago, with implementation decisions driven by self-interested calculations, for instance, the perpetual delays in holding local elections. At the bureaucratic level, the resistance of line ministries to decentralisation has intensified and solidified over the past decade, encouraged by the lack of political will at governmental level. The Malawi example in particular demonstrates the limitations of donor-driven decentralisation which national elites may be *unwillingly* forced to accept, while remaining able to effectively block, a point made strongly by Chinsinga in his concluding remarks. An absence of political commitment to the devolution of power was also evident in Ghana. Here Crawford indicates how the design of decentralisation reforms is also underpinned by strategic political considerations, notably the maintenance of local political control by the national ruling party. Key mechanisms include the presidential powers of appointment, especially the nomination of the all-powerful District Chief Executive. Bureaucratic resistance was also evident given that the integration of decentralised line departments into the District Assembly system has been delayed for almost two decades. In his conclusion, Crawford makes the point forcibly that it is naïve to place one's faith in top-down decentralisation, given the unlikely commitment of central governments to relinquish their own power. Even in the case of Uganda, regarded as one of the most radical and far-reaching devolution initiatives worldwide, Steiner notes that the initial five-tier system of Resistance Councils was established by the National Resistance Movement, under President Museveni, as a means to consolidate its political power following its military victory in 1986. Her historical overview also indicates the initial opposition of central government ministries who balked at the loss of control over resources. In Van Dijk's more upbeat presentation of decentralisation in Tanzania, he remarks nonetheless on the 'resistance against the implementation of decentralisation policies at national level', with national politicians fearful of their loss of influence and sectoral ministries reluctant to cede authority.

Eighth, local elite capture is a commonly cited problem of decentralisation. Clearly the opportunities for pro-poor decentralisation exist in inverse proportion to the degree of elite capture. This phenomenon is explored most directly here in the Uganda case. Although not an easy one to investigate, a strength of Steiner's approach is her interlinkage of elite capture with issues of corruption, patronage and clientelism, and with accountability levels. Not only does she outline the distinguishing characteristics of each concept, but also clearly indicates their relationship to elite capture, with low accountability increasing the scope for corruption, patronage and clientelism, which in turn increases the likelihood of elite capture. The data examined by Steiner indicated irregularities in local tendering and recruitment processes, suggesting the prevalence of elite capture and of low levels of local government accountability, with adverse consequences for pro-poor service delivery. In Malawi, Chinsinga states more emphatically that decentralisation reforms have 'fallen prey to elite capture'. Fractions of the local elite have engaged in power struggles over control of local governance frameworks and associated resources, however limited. Local councillors, despite their greater democratic legitimacy, have had difficulty in asserting themselves against local MPs, chiefs and the district administration. Their demise since 2005, and the failure of central government to hold new elections, suggests that elites at both national and local levels, including traditional authorities, have succeeded in marginalising the role of locally-elected representatives and in steering local resources towards themselves. Chinsinga also notes the perverse linkage between a lack of participation and downward accountability on the one hand, and the degree of elite capture on the other. In Ghana, analysis of district assembly expenditure patterns indicates a degree of elite capture, with a considerable proportion of resources being expended by the district administration on itself. In this instance, a new local elite, comprised of the DCE and senior Assembly officials, has been created by the district assembly system itself. In all cases, the presence of different forms of elite capture has clear negative implications for the poor and for poverty reduction.

Finally, the case studies all demonstrate significant democratic deficits and no country case could be said to exemplify democratic decentralisation. Uganda is generally regarded as the most far-reaching example of devolution in Africa, yet even here there are considerable restrictions on democratic processes, notably those concerning participation and accountability. Malawi's decentralisation efforts are described by Chinsinga as 'deconcentration with nominal democratic decentralisation', with abundant evidence of the failure to establish and maintain democratic structures and processes. The rhetoric in the Ghanaian constitution of 'making democracy a reality' through decentralising government has not been matched by the practice, which remains a mixture of deconcentration and political decentralisation. How can this lack of local democracy be interpreted? Could

it be mainly a question of time, as Steiner tentatively suggests from her study of Uganda, with the implementation of complex decentralisation reforms being a longer-term process? Or do we also need to look more closely at the motivations of those national governments tasked with implementation? This may suggest that devolution of power is not seriously on the agenda of such actors. Decentralisation may be largely a donor-driven process, enforced upon but resisted by poor country governments, as the case of Malawi has demonstrated, or one that is implemented by central government actors in a manner that is intended to maintain and consolidate centralised control while enhancing the appearance of democratic legitimacy, as the case of Ghana has suggested.

1.4. *Concluding remarks on decentralisation and poverty reduction*

The poverty section of this book posed a straightforward question concerning the impact of decentralisation on poverty reduction. Predictably, the answer has been more complex. Overall findings were negative in three out of four cases, with only Tanzania perceived more positively. Explanations for the relative failure of decentralisation to deliver poverty reduction have varied somewhat amongst authors. In Uganda and Malawi, the emphasis is on the lack of implementation. In other words, it is not decentralisation that has failed but rather a failure to implement it fully. The implications are that full implementation will likely result in poverty reduction in the longer-run, with faith thus retained in the policy of decentralisation and its potential benefits. A similar explanation could also be applied in Ghana, where a commonly-heard statement is that 'decentralisation is incomplete', and therefore it may seem premature and somewhat harsh to make negative judgements about the outcomes of a process that remains only partly complete.

However, the Ghana case in particular has indicated that implementation constraints are not merely technical in nature, and the motivations of key actors have been questioned. In this respect, the *politics* of decentralisation became a recurring theme, especially in the Ghana and Malawi cases. The overall argument is that national governments implement decentralisation for a variety of reasons, including attempts to extend and strengthen their control at local level, but invariably to promote their own interests. Additionally, governments may undertake decentralisation reforms at the behest of international donors, but often with a degree of reluctance and resistance. This suggests an inherent paradox or contradiction in expectations of top-down decentralisation, reliant on central government actors for implementation. The Ghana case indicated how the design and implementation of decentralisation was intended to strengthen and consolidate ruling party control over local districts, notably through the presidential appointment of local party activists to the all-powerful position of District Chief Executive.

The Malawi example illustrated the dual problem of donor-driven decentralisation reforms becoming imbued with the strategic political calculations of Malawian political actors at both central and local government levels. By extension, this emphasis on the *politics* of decentralisation can also suggest that where decentralisation has led more successfully to poverty reduction, its implementation has likely coincided with the central government's or ruling party's interests, for example, an ideological focus on pro-poor policies or decentralisation as a means to undermine local elite opposition to national government reforms.²

Focusing attention on the politics of decentralisation has simultaneously highlighted the significance of local democracy and of democratic decentralisation. On the one hand, the democratic deficits identified in the case studies account for many of the shortcomings in poverty reduction outcomes. On the other hand, a strengthening of local democratic structures and processes can potentially enhance the prospects for poverty reduction. In examining the range of challenges to the implementation of decentralisation, the most significant constraints pertained to issues of democracy and indicated the presence of major democratic deficits. Analysts of decentralisation have frequently stressed the importance of local participation to successful decentralisation, tending to assume that increased participation will lead fairly automatically to enhanced accountability of local government. Findings here, however, have placed a particular emphasis on the significance of the downward accountability of government, while noting that participation may be a necessary but not a sufficient condition for greater accountability. Thus the strengthening of accountability mechanisms becomes a key means by which *popular input* into local decision-making processes can be translated into greater *popular control* of local government, not only enhancing local democracy but also increasing the opportunities for policy-making that benefits the poor majority. The decisive shift in orientation is from expectations of achieving poverty reduction through top-down decentralisation to an emphasis on building local democracy and generating social change in favour of the poor through bottom-up processes and political struggles from below.

2. Decentralisation and Conflict Management

The chapters in this book have also enquired into the contribution of decentralisation to the management or resolution of conflict. While economic and social development (and in a more-or-less explicit way the alleviation of poverty too) is one of the main rationales behind decentralisation across the continent, this is much less the case for conflict management. Not one single government among the five cases analysed here (not even South Africa) openly recognised conflict man-

agement as an official objective behind decentralisation. Drawing conclusions thus entails less an evaluation of official government policy and more an assessment of the success of hidden agendas, all in all a more difficult exercise. It also consists of an analysis of the intended or unintended effects of various governmental policies and actions on the conflict dynamics in the countries concerned.

2.1. *Decentralisation and conflict types*

One of the obvious reasons why conflict management has gained less prominence as an outcome of decentralisation policies is the uncertainty surrounding the understanding and occurrence of conflict. While rarely stated, most people equate conflict with violence. But if we restrict the analysis to predominantly *national violent conflicts* then we are left with relatively few cases. In some of the protracted violent conflicts on the continent, decentralisation has indeed been a crucial element within a formalised post-conflict settlement. This is the case, for instance, in South Africa, Mozambique, Sudan and Mali. While the South African Apartheid regime certainly did not belong to the typical centralist-authoritarian Sub-Saharan African regime type, a strong form of decentralisation was still a major element of the transitional constitution that paved the way for peaceful elections and the handover of political power to the African National Congress (ANC) in 1994. Hartmann shows in his chapter that decentralisation of power and resources was a kind of exit strategy for the outgoing white elites, not so much in the sense of keeping or creating a white homeland, but in building vertical accountability and a balance of power in a system of government with limited horizontal accountability. Although the white parties (and some black allies such as the Inkatha Freedom Party) had struggled for a full-blown federal constitution, the ANC had opted for a strong central government, and thus decentralisation was the only possible constitutional compromise.

There are many more African cases where decentralisation is part of a bigger package of institutional reforms and policies in countries that are recovering from extended periods of violent conflict and civil strife. In his chapter on Rwanda, Van Tilburg addresses the question of decentralisation for political, economic and social stability, i.e. the role of decentralisation in addressing *latent conflict* at *national* level. Decentralisation is seen as a broader strategy, among others, in creating a stable political dispensation in a 'post-conflict' setting, thus allowing for economic growth and the building of social capital and trust among the different segments of the population. In the Namibian case, as shown by Hartmann, decentralisation is seen as a necessary instrument to tackle the inequalities produced by a long history of racial segregation by providing for a more efficient distribution of services and by creating new and strong municipalities from racially

mixed neighbourhoods. Even the ANC government in South Africa clearly and strongly subscribes to such a vision of decentralisation in the sense of an institutional strategy aimed at overcoming the legacies of Apartheid rule.

Schelnberger's contribution on Uganda, on the contrary, is concerned with *violent and latent conflicts at the local level*. It makes clear that decentralisation is not necessarily an institutional strategy for solving conflicts between national conflict parties or between a central government and an ethnic opposition. If decentralisation is bringing government closer to the people, democratic local government is – theoretically – providing for an arena for solving local conflicts. The example of Kibaale district from Uganda reveals that the problem starts from defining what the appropriate 'arena' is. The drawing of local boundaries and the inclusion and exclusion of groups within local government may actually increase political and social conflicts. In other words, an established local government with an identifiable local political community may represent an arena for solving conflicts within this community. Decentralisation, on the contrary, is typically the process of creating *ex nihilo* local government structures or of modifying existing ones, and these processes of institutional change create winners and losers and produce struggles over membership (rights) in these new local communities which may strongly reduce the problem-solving capacity of these decentralised structures.

Students of African politics may identify many other instances of local resource conflicts with a similarly ambiguous role of decentralisation policies. The limited number of case studies collected in this book certainly does not allow for generalisation, but these few remarks clearly show that in analysing the relationship between decentralisation and conflict it is important to clearly define and differentiate which conflicts, violent or latent, local or national, are influenced by decentralisation.

2.2. *Decentralisation as a direct strategy of conflict management*

The chapters give few indications that decentralisation was a direct strategy in tackling the various conflicts. Uganda is the case which comes nearest to such a strategy, although this aspect is not the main research object of Schelnberger in her analysis of decentralisation in Kibaale district. Decentralisation did serve the ruling government in Kampala in defusing the ethno-regional challenge from Buganda and other former kingdoms at the time of the Constitutional Assembly in the early 1990s. It was much less successful in ending the challenge from the northern groups, privileged by Museveni's predecessors Amin and Obote, which are at least tacitly still supporting the rebellion of the Lord's Resistance Army.

Uganda also clearly shows how much the precise format of decentralisation does matter. By steadily increasing the number of districts, President Museveni

was able to fragment any ethno-regional opposition to his regime, whether originating from the north or from Buganda. Yet, while securing his political survival at the national level and maintaining his reputation of having pacified Uganda after years of turmoil, the strategy of decentralisation had the disadvantage of increasing localised resource conflicts. The creation of new districts mostly happened on the basis of ethnic criteria thereby ethnicising political identities and wrongly suggesting that each ethnic group could have their 'own' district. In contexts of strong migration, such a decentralisation policy automatically leads to conflicts between autochthonous and immigrant groups over citizenship rights in these newly-created districts. The successful management of a national conflict might thus come at a price, i.e. the creation of new localised conflicts. Other states such as Mozambique or Mali have opted for a less radical strategy and kept a more limited number of provinces/districts.

The other cases covered in this book are rather atypical of ethno-racial conflict in Sub-Saharan Africa insofar as political conflict is mainly not a competition among equal contenders with territorially separate settlement areas. Conflict among different ethnic groups, each mainly living in a different region of the country and competing for scarce state resources, has indeed occurred in most Sub-Saharan African countries, such as Uganda. While presidents and army officers have certainly privileged some ethnic groups over others, this has still remained a horizontal competition which can be addressed through a territorial strategy, i.e. by granting autonomy or decision rights to the government of a territorially defined area. As these regions, districts or provinces are dominated by specific ethnic groups, this policy will automatically benefit these ethnic groups (or their leaders). For example, the ethnic groups inhabiting the Casamance region in southern Senegal would certainly consider the granting of more extended autonomy rights to the provincial government of Casamance as a significant instrument of conflict management.

South Africa, Namibia, but also Rwanda (and to a lesser extent Mauritius) are, on the contrary, typical cases of ethnically-ranked societies, i.e. societies where ethnic identity corresponds with social status or political rights. In these countries one ethnic, religious or racial group had succeeded in dominating the state apparatus in order to serve their own group interests, and to consolidate this dominance through either formalised institutions or strong informal norms.³ This was the case of the white settlers in Namibia and South Africa and of the Tutsi minority in Rwanda (helped by the German and later Belgian colonial authorities). In these countries ethnic affiliation did not correspond with settlement patterns, so that the various groups lived side-by-side in mixed neighbourhoods, thereby increasing the likelihood of violent conflict. The main root cause of conflict is not the demand for political autonomy, but the quest for full citizenship

and the ending of social, cultural, economic and political marginalisation (which under a democratic constitution equals the end of ethnic domination).

It thus becomes clear why decentralisation is of limited relevance in such a context. The granting of more political competencies or resources to devolved units of government alone does not address the grievances of conflict parties. Given the specific legacies of Apartheid rule or genocide in Rwanda, territorial autonomy could hardly be the direct answer to ethno-racial conflict in Rwanda, South Africa or Namibia.

2.3. *Decentralisation as an indirect strategy of conflict management*

In the introduction to this book we identified several indirect conflict-mitigating or conflict-intensifying effects of decentralisation on conflict. Drawing on the material from our case studies, we will see to what extent these effects could be identified in Rwanda, Uganda, South Africa, Namibia and Mauritius.

The first conflict-mitigating effect consisted in the political inclusion of new groups. In other words, decentralisation is supposed to increase the representative character of the political system, especially in heterogeneous societies with territorially-concentrated minorities. Yet, there is little evidence of this process occurring in the five countries, although it has already been pointed out that these countries have relatively few territorially-concentrated minorities. Decentralisation did not achieve this effect in Uganda or Rwanda, for instance, where some segments of the population remain outside the formal institutions. Additionally, the successful inclusion of various previously marginalised groups in South Africa or Namibia has not been a product of decentralisation policies, but of the broader transformation process in both countries. The symbolic value of the control of municipalities for formerly marginalised or oppressed groups should not be downplayed, however, even if these administrations are lacking the resources to make a difference in the lives of their populations.

It was also argued that decentralisation can foster political stability and national unity through granting greater autonomy to conflicting groups, who are forced to enter into a formal bargaining process with the government. This seems to have partly happened in South Africa and Namibia where oppositional parties chose to participate in local government. Although there was little risk that these groups were going to re-engage in violent rebellion against the government, the pure fact of formal participation and involvement in local institutions has exposed them to regular and official contacts with governmental actors at local, regional, and national level.

The case studies also provide little evidence of stronger state penetration of local areas through decentralisation. Decentralisation might indeed have extended administrative services to rural regions in Namibia, South Africa or Uganda that

were poorly served before, but the limited empirical evidence from our cases suggests that increased legitimacy for the central state is rather achieved through elite consensus and not via a more solid support by populations that still feel marginalised, or in some cases indeed remain economically marginalised despite official decentralisation policies (Uganda, Namibia).

What about the conflict-intensifying indirect effects of decentralisation? There is little evidence from our case studies that decentralisation has fuelled violent conflict at the national level, either by strengthening disloyal political forces or by exacerbating regional differences in socio-economic development. Schelnberger's case study does demonstrate, however, that a specific design of decentralisation might increase the likelihood of violent conflict at the local level. There is a lot of scepticism, especially in the Uganda and Southern Africa chapters, about whether local governments are sufficiently well prepared to handle conflict among different communities under their jurisdiction. Control of the local government often becomes one of the main sources of conflict, i.e. this 'trophy' is a cause of conflict not a way to solve it. Even in less politicised circumstances, administrators are often inexperienced, new legal norms are difficult to handle, and in many African countries there are additional problems of how to accommodate traditional leaders within local government structures.

There is also little evidence for the assumption that a stronger degree of devolution might be more beneficial for conflict management, either because a more accountable, better-served citizenry might be able to sort out whatever differences they have in peaceful ways, or be able to overcome the legacies of a violent past. Unfortunately, democracy, especially if narrowly conceived as majority rule, is not always a viable strategy for managing conflicts between different communities within a local government area. With the notable exception of South Africa and Namibia, political decentralisation in most African countries has re-introduced first-past-the-post electoral systems thereby creating few incentives for coalition-building and inter-ethnic accommodation.

Although the small number of contributions collected in this volume do not allow us to draw further conclusions on the role of decentralisation for conflict management, they certainly warn us against too much optimism. Decentralisation is always a complex set of political interventions with many intended and unintended effects. Only empirical analysis can tell us whether these effects actually occur and how their results vary or not in the different decentralised units across a country. Not every type of decentralisation is beneficial for the management of the various conflicts that may exist at national or local level. It needs both strong political commitment and clever institutional engineering to anticipate negative effects and to hinder conflict parties from capturing the decentralisation project for their own narrow interests.

2.4. *Poverty Reduction = Conflict Management?*

If socio-economic grievances are thought to be the main root cause of conflict then decentralisation as poverty alleviation might represent a viable strategy of conflict management. All chapters show that the main aims of decentralisation are related to better service delivery and indeed to an improvement in the socio-economic conditions of the population in the rural areas. The crucial point which was highlighted above in the comparative analysis of the poverty-related chapters, is, however, that these effects can materialise only under the condition that decentralisation is effectively implemented. A misconceived or half-hearted implementation may lead to more frustration than a straightforward centralist policy, and, in turn, may not only fail to uplift the social and economic situation of the population, but also may escalate conflicts, especially where specific population groups are more adversely affected by poverty than others.

The main focus of the conflict chapters is not on the actual implementation of service delivery, though Van Tilburg is quite optimistic concerning the actual role of socio-economic improvements for the reconciliation process and the reconstruction of social stability in Rwanda. It could also be argued on the basis of Hartmann's chapter that the broad socio-economic improvement in South Africa has reconciled many black South Africans to a political and socio-economic settlement of the Apartheid conflict which remained below their historical aspirations. It is, however, not clear to what extent these improvements are indeed related to the actual process of decentralisation. For example, the South African municipalities have a prominent role in service delivery, but most of the resources are still collected at the national level.

Developmental actors will keep their faith in the conflict-mitigating role of poverty reduction programmes, especially with regard to local resource conflicts. Our analysis warns against too much optimism, however: even where these programmes effectively reduce poverty and thus socio-economic grievances, there is no guarantee that this will also reduce the likelihood of violent conflict.

3. **The Future of Decentralisation in Sub-Saharan Africa**

We pointed out in the introduction to this book that decentralisation remains a popular concept in African politics, with most governments adopting at least some parts of its legal instruments and policies. Democratic reforms gave a new stimulus to many of these processes, shifting the emphasis from economic and administrative efficiency towards political accountability of administrators and

the introduction of elected councils at various levels of government. As returning to a more centralised form of government is hardly on the agenda in Sub-Saharan Africa, decentralisation is likely to remain as a 'normal' feature of African politics. The various contributions to this book have identified a number of constraints, some of which apply to policy implementation in general and some of which are more specific to decentralisation, for instance, local elite capture and the lack of political will by national elites to seriously consider any loss of direct control over resources.

The analyses collected in this book give a rather sober assessment of what decentralisation in its current form can achieve in terms of poverty alleviation and conflict management. While none of the contributors entirely questions the general wisdom of decentralisation, some highlight conceptual weaknesses while others stress problems of implementation. The fight against poverty and the peaceful management of the various regional, national, and local conflicts are indeed Herculean tasks that no single policy instrument can achieve. We should therefore not expect decentralisation to deliver something that larger interventions (both national and international), with more resources and political commitment, have failed to do.

Decentralisation is also a thorny research topic. The content of the concept itself is contested and it is difficult even to achieve agreement among policy-makers and researchers about what should be researched and analysed. Not only are national processes of decentralisation thus difficult to assess, but it becomes even more cumbersome as we move down to the regional and local level, given that the actual practice and outcomes of decentralisation can vary significantly within a single country. The comparison of decentralisation policies is thus a methodologically demanding endeavour, at least if one wants to move beyond the analysis of policy papers and towards the real effects on the ground.

There is a growing trend to assess decentralisation only in its aggregate effects at the national level, independently of whether one is interested in its effects on poverty or conflict. Without denying the analytical value of this growing body of research, this book has brought together a number of original analyses that present mostly qualitative data collected by country specialists on the ground. It is thus reflective of both the manifold research methods of our contributors and of the different realities in various Sub-Saharan countries. It is hoped that the contributions herein have succeeded in enhancing our understanding of the interactions between decentralisation reforms and the complex realities of African societies, most notably in the areas of poverty reduction and conflict management.

Notes

- 1 This section further develops Susan Steiner's line of argument that she applies specifically to Uganda, though with an expanded list of potential constraints.
- 2 This argument corresponds largely with that put forward by Crook (2003: 85) to explain the apparently exceptional case of West Bengal, with successful poverty reduction understood as due to the state government's 'ideological commitment to anti-poverty policies'. In this instance the ruling Left Front government has implemented decentralisation as a means to challenge local elite resistance to mass-based policies and to mobilise an electoral alliance in favour of such policies.
- 3 The idea of ranked and unranked societies is further explored in Donald L. Horowitz, 1971, 'Three Dimensions of Ethnic Politics', *World Politics*, Vol. 23 No. 2, pp. 232-244.

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