
Sustaining Livelihoods in Sub-Saharan Africa

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Theme: Decentralisation

Contents of this issue:

Introduction What is decentralisation? How can decentralisation contribute to sustainability? Khanya-aicdd's approach to decentralisation

Case studies: decentralisation in Uganda and South Africa

Conclusions Useful resources

Editor's notes

This edition provides an overview of Khanya-aicdd's approach to decentralisation. The **sustainable livelihoods approach** (SLA) puts people at the centre of development but also recognises the importance of transforming institutions and structures - especially the various levels of government, the private sector and other non-government organisations which have a profound effect upon people's livelihoods. Decentralising some of these elements can contribute to developing sustainable livelihoods if the process brings the management and delivery of services closer to the people and strengthens the links between government and citizens. It underlies approaches to responsive service delivery, to a development planning approach based on local planning, and to helping communities plan and manage their own development.

The newsletter is based on Khanya-aicdd's concept paper on Decentralisation that is available from www.khanya-aicdd.org and is written by Mpopo Ts'oele, Practice Manager Decentralisation and Decentralised services, and Ian Goldman, Khanya's CEO.

What is decentralisation?

Decentralisation is the process whereby authority is restructured between institutions of governance at the central, regional and local levels with powers and functions transferred to the lowest institutional or social level that is capable (or potentially

capable) of completing them. This is referred to as the principle of subsidiarity. These powers can be political, administrative or fiscal (see Box 1). Decentralisation relates to the role of, and the relationship between central and sub-national institutions, whether they are public, private or civic.

Box 1: Types of decentralisation

Political decentralisation transfers political power and authority to sub-national levels such as elected village councils and state level bodies. Where such transfer is made to a local level of public authority that is autonomous and fully independent from the devolving authority, this is referred to as **devolution**.

Under **fiscal decentralisation**, some level of resource reallocation is made to allow local government to function properly, with arrangements for resource allocation usually negotiated between local and central authorities.

Administrative decentralisation involves the transfer of decision-making authority, resources and responsibilities for the delivery of selected public services from the central government to other lower levels of government, agencies, and field offices of central government line agencies. There are two basic types. **Deconcentration** is the transfer of authority and responsibility from one level of the central government to another with the local unit accountable to the central government ministry or agency which has been decentralised. **Delegation**, on the other hand, is the redistribution of authority and responsibility to local units of government or agencies that are not always necessarily, branches or local offices of the delegating authority, with the bulk of accountability still vertical and to the delegating central unit.

Divestment or market decentralisation transfers public functions from government to voluntary, private, or non-governmental institutions through contracting out partial service provision or administration functions, deregulation or full privatisation.

Source: Work, Robertson/UNDP/BDP. *The Role of Participation and Partnerships in Decentralised Governance: A Brief Synthesis of Policy Lessons and Recommendations of Nine Case Studies on Service Delivery for the Poor*, 2002, pp. 3-4.

How can decentralisation contribute to sustainability?

Promoters of decentralisation argue that decentralized governments are more responsive to the needs of the poor than central governments, and more likely to conceive and implement pro-poor policies. The following arguments are used to promote decentralisation:

- Local authorities should be **better informed** than central government about local realities – they are local people, they can consult local communities via elected councillors and other mechanisms. Thus they can be more sensitive to local priorities and needs, and, given the necessary operational flexibility, can adapt service provision accordingly;

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- Local government is **closer to users** and should be able to keep them informed more easily about decisions, eg councillors should be able to explain in terms ordinary people understand how they might benefit from services and new national programmes;
 - Given sufficient autonomy, local government does not need to seek approvals from above, and can act **more rapidly and responsively** than central agencies.;
 - Some local tax rates, fees and user charges can be fixed locally, allowing local government to **optimise local sources of revenue**. These decisions have to be publicly defended by elected representatives, and therefore need public consultation locally;
 - There are better prospects for **public accountability**: in the case of poor or non-delivery of services, communities can put pressure on officials, via their councillors. Once citizens see that their representatives can influence officers, they may contact the officers themselves more often. There have been cases where absenteeism or corruption by officials has been reduced by the reality or threat of public pressure.

James Manor suggests that the potential impact of decentralized processes include:

- reversing the neglect of local institutional development;
- improving development projects and making them more flexible and more sustainable;
- enhancing government responsiveness;
- increasing information flows between governments and citizens;
- promoting greater participation and associational activity;
- enhancing transparency and accountability ;
- achieving political renewal and integrating society with the state;
- reinforcing and invigorating democracy at the national level;
- promoting early warning of potential disasters; and
- carrying out small-scale regulatory functions.

He also suggests that it has at least modest promise in:

- reinforcing central government commitment to rural development;
- broadening the project focus beyond agriculture;
- reducing absenteeism amongst government employees;
- promoting co-operation between NGOs and the government;
- reducing regional disparities;
- tackling the problems of complexity and co-ordination;
- paying greater attention to socio cultural factors;
- empowering women;
- tailoring development to local conditions;
- facilitating scaling up from successful pilot projects; and
- reducing corruption.

Decentralisation is not a panacea though and cannot re-solve the challenge of alleviating poverty within an area. Decentralisation should not be adopted to tackle poverty *per se*. It should be part of a package of other measures, including rules to guide spending and ensure that poverty is targeted). Nor does it in itself address macro-economic issues such as accelerating economic growth, reducing overall government spending or mobilising local taxes. It also may not promote planning from below or mass community participation in projects unless systems are set in place for ensuring an effective connection between local governments and the people. Earlier SLSAs on Community-Based Planning (No. 2 July 2001) and Community-Based Workers (No. 9 April 2003) point to ways in which this can happen.

Khanya-aicdd's approach to decentralisation

The principle of subsidiarity and decentralisation underlies the six Governance Issues that Khanya-aicdd developed in applying the SLA, in terms of empowering communities, strengthening local government and realigning the centre (see SLSA No 8 Feb 2003 or got to www.khanya-aicdd.org for further information about these Governance Issues). Supported by the meso and the macro levels, people **must** play the following three roles:

- **Demand services** and appropriate structural reforms to leverage the provision of pro-poor service delivery;
- **Provide services** at local level in partnership with other service providers;
- **Be recipients and custodians** of services provided to them.

The following tables outline how these governance issues can be applied in relation to decentralisation:

Table 1 Empowering communities - micro (community) level

Governance issue	Example of application
People active and involved in managing their own development (claiming their rights and exercising their responsibilities)	<ul style="list-style-type: none"> ▪ Communities planning for their own development, acting on those plans and submitting to local government to inform higher levels plans and services. ▪ Communities implementing and managing their own development, taking forward projects and activities. ▪ Initiating issues on their own
Presence of a responsive, active and accessible network of local service providers (community-based, private sector or government)?	<ul style="list-style-type: none"> ▪ Communities providing services for themselves eg: using community-based workers (CBWs) such as home-based carers, local traders eg traditional healers, shopkeepers. ▪ Group schemes such as credit unions, voluntary savings and loans schemes, burial societies. ▪ Communities managing government-provided services, e.g. School Governing Bodies running schools in South Africa.

Table 2 Strengthening local government

Governance issue	Example of application
Ensuring that at local government level, services are facilitated, provided or promoted effectively and responsively, coordinated and held accountable?	<ul style="list-style-type: none"> • Co-ordination structures e.g. District Development Co-ordinating Committees in Zambia. • Integrated and coordinated planning, which is responsive to communities (eg CBP, linked to IDP). • Participatory budgeting • Performance management systems which involve communities (eg in SA). • Promoting accountability, eg the use of Vigilance Committees in Bolivia, Community Policing Forums in South Africa, Surveillance groups. • Building on the latent capacity of local governments.
The province/region supportive and supervising the level below?	<ul style="list-style-type: none"> • Improving the capacity of an intermediate level (eg province/region) to support and monitor lower level governments on behalf of the centre. • Provision of scarce services, or those with significant economies of scale which cannot be located at local government level. • Strategic planning at a regional level, eg for tourism, which needs to be planned at a larger scale than an individual local government.

Table 3 Realigning the centre

Governance issue	Example of application
The centre providing strategic direction, redistribution and oversight, and how responsive is this to micro and meso-level realities and inputs?	<ul style="list-style-type: none"> • Improving the centre's capacity to support and monitor lower level governments (so helping to bring confidence to handover of powers and functions) • Clear facilitating and support role by the Ministry responsible for Local Government, with strong backing from the office of the President • Realigning the role of sectoral Ministries and other service providers to integrate people-centred approaches to responsive service delivery • Integrated capacity-building programmes for sectoral ministries • Developing appropriate criteria for devolution of functions and responsibilities e.g. in Lesotho and South Africa • Improving the linkage between information from community, local government and the centre to better inform policies and plans eg integrating ward plans and municipal integrated development plans in South Africa

Case Study 1: Decentralisation in Uganda

Uganda's decentralisation process began thirteen years ago, evolving from a system of centralisation and authoritarian military rule introduced immediately after independence. The system is ranked amongst the most advanced models in Africa. Uganda has two levels of local government (district and subcounty in the case of rural areas). Below this are the parish and the village. At present there is no regional level, although one is currently being created.

Local governments have been entrusted with the responsibility to implement all local development functions (including agriculture, health, education, roads, water). They have the statutory responsibilities for administering the decentralised functions which include powers to recruit and fire staff, to plan, and to develop budgets for administering the decentralised functions including aspects of community participation. Local governments have powers to determine user fees and to charge taxes. Local governments receive matching financial resources from the national fiscus which are either conditional, unconditional or redistributive in nature. Local governments are also responsible for preparing the necessary legislation (by-laws) that relates to the undertaking of the decentralised functions.

Districts play a more strategic role, employ all local government staff, and support lower level local governments. They have well qualified staff, including staff with PhDs. Subcounties are headed by subcounty chiefs, all with degrees, and field staff are seconded to them. Both levels produce development plans. A Harmonised Participatory Planning Guide has been developed, based on the community-based planning methodology (see SLSA No 2 July 2001) which promotes participatory planning at parish level, informed by villages, and which in turn informs subcounty development plans.

While many functions have been handed to local governments, their powers are in practice circumscribed by their dependence on central government for funds, with approximately 90% of funds being provided by Central Government grants, the majority of which are conditional grants. This means Central Government exerts a considerable degree of control over local governments.

Uganda has been very successful at decentralizing considerable administrative functions to local governments, but less so in terms of fiscal decentralization. In the process many technical innovations have been introduced which provide interesting mechanisms that other countries can learn from. One example is their use of a "carrot and stick" approach to motivate local governments to improve their performance, whereby if performance exceeds certain levels higher grant funding kicks in. However they have been less successful at promoting active participation of citizens, and promoting a decentralization process built on mobilization of communities at local level, where decentralization is demanded from below, rather than just certain powers being released from above. In this sense Uganda contrasts with examples such as Mali, which have

successfully mobilized communities to be the drivers for decentralization, but have been less successful at transferring functions and resources to lower levels.

Case Study 2: Decentralisation in South Africa

South Africa's current decentralization process began after the arrival of democratic government in 1994. One of the key agreements in the new Constitution was the creation of three spheres of government, national, provincial and local, and it is notable that local government is included in the Constitution. Schedules of specific powers and functions were ascribed to each, with many of these powers and functions shared. In practice the main level of devolution in South Africa has been to provinces, which have widespread functions in relation to local development, including providing services such as agriculture, education, health, social services, public works. Provinces have considerable autonomy in their spending, although there is a national guideline that 85% of expenditure should be in the key social sectors of education, health and social security.

The Municipal Structures Act and Municipal Systems Act (MSA) define the structures and approaches to developmental local government. There are 3 forms of local government, Metropolitan, District and Local. The 6 metros are the biggest cities and have a wide range of functions, with districts playing a more strategic role, and local municipalities providing basic services. The current form of local government is recent, with local governments only created in 2000.

Local government provides electricity, water, sanitation, municipal roads, local tourism, and a few other functions, and for example their role in health is currently interpreted as being environmental health. They have far more limited powers than in Uganda, although under the MSA they are responsible for promoting socio-economic development in the municipal area. They do have an integrating function and are required to produce five year integrated development plans (IDPs), which directly inform the budget, and are updated on an annual basis. There is much competition between district and local municipalities, and role differentiation is not clear in practice, although districts should play a more integrating role. There is very limited integration of activities with the key provincial government departments which in practice provide many of the services. Inasmuch as services are being considered for decentralization to local governments, it is primarily to districts. Unlike in Uganda, local governments finance around 70% of their budgets through fees and charges, notably from electricity, water, sanitation and rates. Below local municipalities the only structure is a ward, with a population of 5-15000 people.

One of the notable features of the legislation in South Africa is its very strong emphasis on community participation in planning and in monitoring the performance of local government. Community-based planning has also been piloted and will be rolled out over the next two-three years. Mechanisms for effective oversight by communities are still being developed, and much more work is needed in this area.

South Africa's approach is quite different to Uganda, as the main focus of devolution is on provinces, although this is currently under review. However it shares with Uganda a technocratic approach, with extensive work on systems, but less emphasis on mobilization at local level to support decentralization. It also lacks lower level structures which can be used effectively for participatory processes. The roles of local government are increasing, although there are major concerns about limited capacity.

Conclusions

Decentralisation has now been tried in many countries in Africa, over at least 20-30 years. Different countries have different reasons for implementing decentralisation, which may be economic or political. In general the first motivator is often to legitimise the state after major political changes, as occurred in South Africa or Uganda. The second step is often then around improving services and promoting economic development.

Decentralisation implies a radical restructuring of the relationship between citizens and the state. Many states, both developed and developing, find this problematic. They do not wish to lose control and struggle with allowing local choice. While initial political conditions and the demand for legitimisation may favour local government, later central government may wish to reassert its control, as happened in Britain in the 1980s, and there are signs that this may be the case in Uganda now.

Khanya-aicdd has recently been part of a study for the Belgian Government, which has reviewed experiences in a number of countries, with case studies in Uganda, Burundi, Mali and Benin. There appear to be four stages in the evolution of decentralization:

- Start of the process, as in Burundi at present;
- Enactment of relevant legislation and the creation of local governments, as in Benin or Lesotho;
- The initial operation of the local governments, often associated with a period of significant refinement of legislation and practice, as in South Africa;
- A plateauing or stagnation, with minor changes only, or even a reversal of powers often associated with a decline in political support, as appears to be the case in Ghana, Zimbabwe, Mali and Uganda at present, or Zambia in the 1990s. There is often then a need for a new wind of change, to enable them to move into a new phase of active development and change and a deepening of decentralization.

Three elements emerge as critical for decentralisation to realise its benefits:

- Active involvement of citizens in the process, so that decentralization is embedded in a drive by citizens to take responsibility for their own development, and to hold the state accountable;
- The will and the capacity of local governments to practice the principles of good governance and to offer adequate services to residents;

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- The capacity and will of central government to provide a suitable enabling environment which provides adequate authority, decision-making powers and resources to local levels, as well as suitable oversight mechanisms, and the will to deal with emerging problems as they inevitably arise.

In general there is now a consensus that decentralization is a key part of the process in reforming and legitimizing the state, but there are a number of choices that can be made in how this is done, as illustrated in the two case studies above. These three elements are needed for this to be an active and living process over a realistic period of 20+ years, to have real benefits in the lives of our people and not just be subject to the current political whim of a particular government.

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Useful resources

Understanding Fiscal Decentralisation in South Africa (Yemek, E., 2005)

What is the relationship between fiscal decentralisation and the principles of good governance? How does fiscal decentralisation in South Africa affect the delivery of social services? This paper suggests that financial decentralisation is a tool to broaden democracy. To be effective, it must be accompanied by adequate financial resources, capacity-building and civil society participation. See:

http://www.grc-exchange.org/info_data/record.cfm?Id=1541&source=bulletin

Decentralisation, Democracy and Development in a Post-conflict Society: Commune Councils in Cambodia (Blunt, P. and Turner, M., 2005)

Since the overthrow of the Khmer Rouge in 1979 and the subsequent withdrawal of Vietnamese forces ten years later, Cambodia has focused on stabilisation and the consolidation of political power. Is the government now ready to pursue active decentralisation? Will decentralisation become a reality or remain an impotent legislative measure to satisfy donors? This paper reviews the context of decentralisation in Cambodia, the reasons why decentralisation has faltered and the importance of decentralisation for donors. See:

http://www.grc-exchange.org/info_data/record.cfm?Id=1411&source=bulletin

The Effects of Decentralisation on Public Investment (Faguet, J-P, 2005)

What are the effects of decentralisation on policy goals? This paper examines decentralisation's effect on government responsiveness and poverty-orientation in the context of Bolivia and Colombia. It concludes that there are four key criteria for decentralisation to work well and that where such conditions are met, decentralisation can generate real accountability where none existed. See:

http://www.grc-exchange.org/info_data/record.cfm?Id=1522&source=bulletin

Governance and Basic Social Services: Ensuring Accountability in Service Delivery through Deep Democratic Decentralisation (Mehrotra, S., 2005)

Ensuring the accountability of local functionaries for effective delivery of basic social services is a perennial problem of development. This paper argues that the accountability of low-level functionaries to superiors in a vertical line ministry is rarely effective. It spells out a model of deep democratic decentralization, involving a crucial three-way dynamic among local governments, civil society and an effective central government. See: http://www.grc-exchange.org/info_data/record.cfm?Id=1676&source=bulletin

UN Habitat Best Practices Data base

<http://www.bestpractices.org/>

The Thematic Centre on Local Government Initiatives for Sustainable Development and Urban Environment – ICLEI

<http://www.iclei.org/habitat-centre/index.htm>

Latin American Information System on Successful Municipal Experiences – ICLEI Latin America (Spanish)

<http://www.iclei.org/redal21/capacidad/>

World Bank’s resources and information on decentralization

<http://www.worldbank.org>

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18	Feb 2006	Local institutions

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